



## **Letter of Information**

**House Bill 801 – Income Tax – Addition Modifications – Business Stock Gains, Fines,  
Penalties, and Bonus Depreciation**  
*Ways & Means Committee*  
*February 26, 2026*

The Comptroller of Maryland is respectfully submitting this letter of information regarding House Bill 801 – Income Tax – Addition Modifications – Business Stock Gains, Fines, Penalties, and Bonus Depreciation. HB801 provides an addition modification for any amount in excess of \$50,000 incurred for fines and penalties or deducted as a trade or business expense.

Our office is currently in the process of migrating more than 3 million individual taxpayers from our legacy mainframe to our new integrated tax system, Maryland Tax Connect. This migration, currently scheduled for August 2026, is the largest and most complex phase of our years-long modernization project.

HB801 will require our office to update how addition modifications are treated in our tax system, which will involve design, development, programming, and testing with our IT vendor. In order to ensure a smooth migration to our new tax system, the Comptroller of Maryland respectfully requests that implementation of HB801 be delayed to apply to all taxable years beginning after December 31, 2026.

Thank you for your consideration. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at [MDudzic@marylandtaxes.gov](mailto:MDudzic@marylandtaxes.gov).

