

HOUSE BILL 1373

Q3

6lr2954

By: **Delegates Mautz, Kipke, and Sample-Hughes**

Introduced and read first time: February 12, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Private Health Insurance Expenses**

3 FOR the purpose of providing a subtraction modification under the Maryland income tax
4 for certain costs incurred by a taxpayer to provide health insurance for the taxpayer,
5 the taxpayer’s spouse, or a dependent of the taxpayer; providing that the subtraction
6 modification does not apply to costs paid for certain health insurance plans;
7 repealing obsolete provisions of law; providing for the application of this Act; and
8 generally relating to an income tax subtraction modification for certain health
9 insurance costs.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – General
12 Section 10–208(a)
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2015 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Tax – General
17 Section 10–208(t)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2015 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

Article – Tax – General

22
23 10–208.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
2 under this section are subtracted from the federal adjusted gross income of a resident to
3 determine Maryland adjusted gross income.

4 (t) (1) Subject to paragraph (2) of this subsection, the subtraction under
5 subsection (a) of this section includes 100% of the costs of A health insurance **PREMIUM**
6 that [a taxpayer incurs on behalf of another individual if the other individual and taxpayer
7 are recognized by the State as lawfully married.

8 (2) The subtraction under paragraph (1) of this subsection may not exceed
9 the cost of a health insurance premium that]:

10 (i) is paid by the taxpayer [or the employer of the taxpayer] to
11 provide coverage for the **TAXPAYER**, taxpayer's spouse, **OR A DEPENDENT OF THE**
12 **TAXPAYER**; and

13 (ii) is subject to federal income tax under the Internal Revenue Code.

14 **(2) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION**
15 **MAY NOT INCLUDE THE COST OF A HEALTH INSURANCE PREMIUM FOR:**

16 **(I) HEALTH INSURANCE COVERAGE IN THE FEDERAL**
17 **MEDICARE PROGRAM;**

18 **(II) HEALTH INSURANCE COVERAGE OBTAINED THROUGH THE**
19 **MARYLAND HEALTH BENEFIT EXCHANGE FOR WHICH THE TAXPAYER RECEIVES A**
20 **TAX CREDIT OR REDUCED PREMIUM BASED ON THE INCOME OF THE TAXPAYER; OR**

21 **(III) HEALTH INSURANCE COVERAGE OFFERED TO THE**
22 **TAXPAYER AS A RETIREE OF AN EMPLOYEE BENEFIT PLAN.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.