

# HOUSE BILL 1390

Q3  
SB 717/24 – B&T

5lr2043

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By: **Delegate Vogel**

Introduced and read first time: February 7, 2025

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Losses From Theft or Fraud**

3 FOR the purpose of allowing, subject to certain limitations, a subtraction modification  
4 under the Maryland income tax for certain personal casualty losses related to a theft  
5 or fraud scheme; and generally relating to a subtraction modification under the  
6 Maryland income tax for personal casualty losses related to a theft or fraud scheme.

7 BY repealing and reenacting, without amendments,  
8 Article – Tax – General  
9 Section 10–208(a)  
10 Annotated Code of Maryland  
11 (2022 Replacement Volume and 2024 Supplement)

12 BY adding to  
13 Article – Tax – General  
14 Section 10–208(dd)  
15 Annotated Code of Maryland  
16 (2022 Replacement Volume and 2024 Supplement)

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

19 **Article – Tax – General**

20 10–208.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(DD) (1) IN THIS SUBSECTION, “PERSONAL CASUALTY LOSS” MEANS LOSS**  
2 **OF PROPERTY NOT CONNECTED WITH A TRADE OR BUSINESS OR A TRANSACTION**  
3 **ENTERED INTO FOR PROFIT IF THE LOSS ARISES FROM THEFT OR A FRAUD SCHEME.**

4           **(2) THE SUBTRACTION ALLOWED UNDER SUBSECTION (A) OF THIS**  
5 **SECTION INCLUDES:**

6                   **(I) THE AMOUNT OF ANY PERSONAL CASUALTY LOSS OF A**  
7 **TAXPAYER RELATED TO A THEFT OR FRAUD SCHEME THAT OCCURRED DURING THE**  
8 **TAXABLE YEAR THAT WAS ALLOWED AS A DEDUCTION UNDER § 165 OF THE**  
9 **INTERNAL REVENUE CODE BEFORE JANUARY 1, 2018; AND**

10                   **(II) ANY EXPENSES OR PENALTIES INCURRED DURING THE**  
11 **TAXABLE YEAR RELATED TO THE THEFT OR FRAUD SCHEME.**

12           **(3) TO QUALIFY FOR THE SUBTRACTION ALLOWED UNDER THIS**  
13 **SUBSECTION, THE TAXPAYER SHALL ATTACH TO THE TAXPAYER’S TAX RETURN A**  
14 **POLICE REPORT ESTABLISHING THAT THE THEFT OR FRAUD SCHEME OCCURRED.**

15           **(4) FOR ANY TAXABLE YEAR, THE SUBTRACTION ALLOWED UNDER**  
16 **THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF ANY DEDUCTION**  
17 **RELATED TO THE THEFT OR FRAUD SCHEME THAT IS ALLOWED UNDER § 165 OF THE**  
18 **INTERNAL REVENUE CODE FOR THAT TAXABLE YEAR.**

19           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
20 1, 2025, and shall be applicable to all taxable years beginning after December 31, 2024.