

SENATE BILL 1002

Q3
HB 1045/11 – W&M

2lr1253
CF HB 1091

By: **Senator Manno**
Introduced and read first time: February 17, 2012
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Noneconomic Damages**

3 FOR the purpose of allowing an individual a subtraction modification under the
4 Maryland income tax for certain payments received by a claimant for certain
5 damages as a result of certain claims of unlawful discrimination; defining
6 certain terms; providing for the application of this Act; and generally relating to
7 an income tax subtraction modification for certain damages as a result of
8 certain claims of unlawful discrimination.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2011 Supplement)

14 BY adding to
15 Article – Tax – General
16 Section 10–207(y)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2011 Supplement)

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

21 **Article – Tax – General**

22 10–207.

23 (a) To the extent included in federal adjusted gross income, the amounts
24 under this section are subtracted from the federal adjusted gross income of a resident
25 to determine Maryland adjusted gross income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(Y) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**
2 **THE MEANINGS INDICATED.**

3 **(II) “LOST PAY” MEANS WAGES, SALARY, OR OTHER**
4 **COMPENSATION ATTRIBUTABLE TO SERVICES PERFORMED, OR THAT WOULD**
5 **HAVE BEEN PERFORMED BUT FOR A CLAIMED VIOLATION OF LAW, AS AN**
6 **EMPLOYEE, A FORMER EMPLOYEE, OR A PROSPECTIVE EMPLOYEE.**

7 **(III) 1. “NONECONOMIC DAMAGES” MEANS AMOUNTS**
8 **RECEIVED BY A CLAIMANT IN SATISFACTION OF A CLAIM OF UNLAWFUL**
9 **DISCRIMINATION, OTHER THAN COMPENSATION FOR LOST PAY OR PUNITIVE**
10 **DAMAGES.**

11 **2. “NONECONOMIC DAMAGES” INCLUDES AMOUNTS**
12 **RECEIVED AS A RESULT OF A CLAIM OF UNLAWFUL DISCRIMINATION:**

13 **A. WHETHER BY JUDGMENT OR OTHER ORDER OR BY**
14 **SETTLEMENT; AND**

15 **B. WHETHER PAYABLE IN A LUMP SUM OR PERIODIC**
16 **PAYMENTS.**

17 **(IV) “UNLAWFUL DISCRIMINATION” HAS THE MEANING**
18 **STATED IN § 62(E) OF THE INTERNAL REVENUE CODE.**

19 **(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
20 **INCLUDES ANY AMOUNT RECEIVED BY A CLAIMANT FOR NONECONOMIC**
21 **DAMAGES AS A RESULT OF A CLAIM OF UNLAWFUL DISCRIMINATION.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,
24 2011.