

SENATE BILL 320

Q3

7lr0137
CF 7lr0157

By: **The President (By Request – Administration) and Senators Bates, Cassilly, Eckardt, Edwards, Hershey, Hough, Jennings, Norman, Ready, Salling, Serafini, Simonaire, and Waugh**

Introduced and read first time: January 20, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Student Debt Relief Act of 2017**

3 FOR the purpose of allowing a subtraction modification under the State income tax for a
4 certain amount of interest paid by a qualified taxpayer on certain student loans;
5 requiring the Comptroller to adopt certain regulations; defining certain terms;
6 providing for the application of this Act; and generally relating to a Maryland income
7 tax subtraction modification for certain interest paid on certain student loans.

8 BY repealing and reenacting, without amendments,

9 Article – Tax – General

10 Section 10–208(a)

11 Annotated Code of Maryland

12 (2016 Replacement Volume)

13 BY adding to

14 Article – Tax – General

15 Section 10–208(w)

16 Annotated Code of Maryland

17 (2016 Replacement Volume)

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

20 **Article – Tax – General**

21 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 (W) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
5 MEANINGS INDICATED.

6 (II) 1. “INSTITUTION OF HIGHER EDUCATION” MEANS AN
7 INSTITUTION OF POSTSECONDARY EDUCATION THAT GENERALLY LIMITS
8 ENROLLMENT TO GRADUATES OF SECONDARY SCHOOLS AND AWARDS DEGREES AT
9 EITHER THE BACCALAUREATE OR GRADUATE LEVEL.

10 2. “INSTITUTION OF HIGHER EDUCATION” INCLUDES
11 PUBLIC, PRIVATE NONPROFIT, AND FOR–PROFIT INSTITUTIONS OF HIGHER
12 EDUCATION.

13 (III) “QUALIFIED STUDENT LOAN” MEANS A LOAN INCURRED TO
14 ATTEND AND RECEIVE A BACCALAUREATE OR GRADUATE LEVEL DEGREE FROM AN
15 INSTITUTION OF HIGHER EDUCATION.

16 (IV) “QUALIFIED TAXPAYER” MEANS A TAXPAYER WHO:

17 1. MAKES PAYMENTS ON A QUALIFIED STUDENT LOAN
18 DURING THE TAXABLE YEAR; AND

19 2. A. FOR AN INDIVIDUAL WHO DOES NOT FILE A
20 JOINT INCOME TAX RETURN, HAS FEDERAL ADJUSTED GROSS INCOME FOR THE
21 TAXABLE YEAR THAT DOES NOT EXCEED \$200,000; OR

22 B. FOR A MARRIED COUPLE FILING A JOINT INCOME TAX
23 RETURN, HAS FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT
24 DOES NOT EXCEED \$250,000.

25 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
26 INCLUDES THE AMOUNT OF INTEREST PAID ON A QUALIFIED STUDENT LOAN BY THE
27 QUALIFIED TAXPAYER DURING THE TAXABLE YEAR.

28 (3) (I) THE COMPTROLLER SHALL ADOPT REGULATIONS TO
29 CARRY OUT THE PROVISIONS OF THIS SECTION.

30 (II) THE REGULATIONS SHALL ESTABLISH THE REQUIREMENTS
31 FOR A QUALIFIED TAXPAYER TO PROVIDE PROOF OF PAYMENT OF INTEREST ON THE
32 QUALIFIED STUDENT LOAN.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2017.