

HOUSE No. 2664

The Commonwealth of Massachusetts

PRESENTED BY:

Elizabeth A. Malia

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to the relief of mortgage debt.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Denise Andrews</i>	<i>2nd Franklin</i>
<i>Christine E. Canavan</i>	<i>10th Plymouth</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>
<i>Gloria L. Fox</i>	<i>7th Suffolk</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>

HOUSE No. 2664

By Ms. Malia of Boston, a petition (accompanied by bill, House, No. 2664) of Elizabeth A. Malia and others relative to providing for a tax deduction for income attributable to the discharge of debt on principal residences including debt reduced through mortgage restructuring. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to the relief of mortgage debt.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 Paragraph (a) of part B of section 3 of chapter 62 of the General Laws, as appearing in
- 2 the 2010 Official Edition, is hereby further amended by adding the following subparagraph:-
- 3
- 4 (17) Income attributable to the discharge of debt on a principal residence including debt
- 5 reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a
- 6 foreclosure, shall qualify for tax relief provided that no more than \$1,000,000 of forgiven debt is
- 7 eligible for this exclusion, except if married filing jointly, up to \$2,000,000 may be excluded.
- 8 The exclusion shall not apply if the discharge is due to services performed for the lender or any
- 9 other reason not directly related to a decline in the home’s value or the taxpayer’s financial
- 10 condition. The commissioner of the department of revenue shall promulgate regulations to
- 11 effectuate this provision.
- 12