

HOUSE No. 2607

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 adoption 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>Gloria L. Fox</i>	<i>7th Suffolk</i>
<i>John H. Rogers</i>	<i>12th Norfolk</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>
<i>Michael D. Brady</i>	<i>9th Plymouth</i>
<i>James R. Miceli</i>	<i>19th Middlesex</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Angelo M. Scaccia</i>	<i>14th Suffolk</i>

HOUSE No. 2607

By Ms. Malia of Boston, a petition (accompanied by bill, House, No. 2607) 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.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2664 OF 2013-2014.]

The Commonwealth of Massachusetts

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**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**
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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 SECTION 1. Paragraph (a) of part B of section 3 of chapter 62 of the General Laws, as
2 appearing in the 2012 official edition, is hereby amended by adding the following subparagraph:-

3 (17) Income attributable to the discharge of debt on a principal residence, including debt
4 reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a
5 foreclosure, shall qualify for tax relief subject to the following conditions and limitations.

6 (a) No more than \$1,000,000 of forgiven debt is eligible for this exclusion, except if
7 married filing jointly, up to \$2,000,000 may be excluded.

8 (b) Tax relief shall only apply to “acquisition indebtedness” as defined in section 163 (h)
9 (3) (B) of the Code.

10 (c) "Principal residence" shall have the same meaning as section 121 of the code.

11 (d) Tax relief shall not apply if the discharge is due to services performed for the lender
12 or any other reason not directly related to a decline in the home's value or the taxpayer's
13 financial condition.

14 SECTION 2. This Act shall apply to discharges of indebtedness on or after January 1,
15 2013.

16 SECTION 3. The commissioner of the department of revenue shall promulgate
17 regulations to effectuate this provision.