

# HOUSE BILL 623

Q3

1lr1568

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By: **Delegates Rosenberg, Mizeur, and Ross**

Introduced and read first time: February 9, 2011

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Student Loan Payments for**  
3 **Qualified Attorneys**

4 FOR the purpose of allowing a subtraction from the federal adjusted gross income of  
5 an individual to determine Maryland adjusted gross income for certain amounts  
6 paid by individuals employed in certain eligible fields of employment to repay  
7 certain legal education loans; defining certain terms; providing for the  
8 application of this Act; and generally relating to a Maryland income tax  
9 subtraction modification for certain amounts paid to repay certain legal  
10 education loans.

11 BY repealing and reenacting, without amendments,  
12 Article – Tax – General  
13 Section 10–208(a)  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume)

16 BY adding to  
17 Article – Tax – General  
18 Section 10–208(r)  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume)

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

23 **Article – Tax – General**

24 10–208.

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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  
2 amounts under this section are subtracted from the federal adjusted gross income of a  
3 resident to determine Maryland adjusted gross income.

4 (R) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE  
5 THE MEANINGS INDICATED.

6 (II) “ELIGIBLE FIELD OF EMPLOYMENT” HAS THE MEANING  
7 STATED IN § 18–1501 OF THE EDUCATION ARTICLE.

8 (III) “QUALIFIED LEGAL EDUCATION LOAN” MEANS A  
9 HIGHER EDUCATION LOAN, AS DEFINED IN § 18–1501 OF THE EDUCATION  
10 ARTICLE, INCURRED BY AN INDIVIDUAL TO ATTEND AND RECEIVE A  
11 PROFESSIONAL DEGREE FROM A SCHOOL OF LAW.

12 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
13 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE  
14 AMOUNT OF INTEREST AND PRINCIPAL PAID BY AN INDIVIDUAL WHO IS  
15 EMPLOYED IN AN ELIGIBLE FIELD OF EMPLOYMENT IN THE REPAYMENT OF A  
16 QUALIFIED LEGAL EDUCATION LOAN.

17 (3) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION MAY  
18 NOT INCLUDE:

19 (I) ANY AMOUNT FOR WHICH THE INDIVIDUAL IS ALLOWED  
20 A DEDUCTION UNDER § 221 OF THE INTERNAL REVENUE CODE; OR

21 (II) ANY AMOUNT EXCLUDED FROM THE INDIVIDUAL’S  
22 GROSS INCOME UNDER § 108(F) OF THE INTERNAL REVENUE CODE THAT  
23 WOULD OTHERWISE BE INCLUDED IN GROSS INCOME BY REASON OF DISCHARGE  
24 OF THE INDEBTEDNESS UNDER THE QUALIFIED LEGAL EDUCATION LOAN.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 2011, and shall be applicable to all taxable years beginning after December 31,  
27 2010.