

# HOUSE BILL 67

Q3

0lr0586

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By: **Delegate Grammer**

Introduced and read first time: January 9, 2020

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Exemption – Individuals Erroneously Convicted, Sentenced, and**  
3 **Confined**

4 FOR the purpose of providing that the Maryland income tax does not apply to the income  
5 of an individual erroneously convicted, sentenced, and confined under State law for  
6 a crime the individual did not commit; requiring the Comptroller to adopt regulations  
7 to provide procedures for an individual to apply for and be recognized as erroneously  
8 convicted, sentenced, and confined under State law for a crime the individual did not  
9 commit; providing for the application of this Act; and generally relating to an  
10 exemption from the Maryland income tax.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 10–104  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume and 2019 Supplement)

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

18 **Article – Tax – General**

19 10–104.

20 (A) The income tax does not apply to the income of:

21 (1) a common trust fund, as defined in § 3–501(b) of the Financial  
22 Institutions Article;

23 (2) except as provided in §§ 10–101(e)(3) of this subtitle and 10–304(2) of

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 this title, an organization that is exempt from taxation under § 408(e)(1) or § 501 of the  
2 Internal Revenue Code;

3 (3) a financial institution that is subject to the financial institution  
4 franchise tax;

5 (4) a person subject to taxation under Title 6 of the Insurance Article;

6 (5) except as provided in § 10–102.1 of this subtitle, a partnership, as  
7 defined in § 761 of the Internal Revenue Code;

8 (6) except as provided in § 10–102.1 of this subtitle and § 10–304(3) of this  
9 title, an S corporation;

10 (7) except as provided in § 10–304(4) of this title, an investment conduit or  
11 a special exempt entity; [or]

12 (8) except as provided in § 10–102.1 of this subtitle, a limited liability  
13 company as defined under Title 4A of the Corporations and Associations Article to the  
14 extent that the company is taxable as a partnership, as defined in § 761 of the Internal  
15 Revenue Code; OR

16 (9) **SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN INDIVIDUAL**  
17 **ERRONEOUSLY CONVICTED, SENTENCED, AND CONFINED UNDER STATE LAW FOR A**  
18 **CRIME THE INDIVIDUAL DID NOT COMMIT.**

19 **(B) THE COMPTROLLER SHALL ADOPT REGULATIONS TO PROVIDE**  
20 **PROCEDURES FOR AN INDIVIDUAL TO APPLY TO BE RECOGNIZED FOR PURPOSES OF**  
21 **THIS SECTION AS ERRONEOUSLY CONVICTED, SENTENCED, AND CONFINED UNDER**  
22 **STATE LAW FOR A CRIME THE INDIVIDUAL DID NOT COMMIT.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019.