

Chapter 551

(House Bill 180)

AN ACT concerning

Income Tax – Subtraction Modification for Adoption Expenses – Alterations

FOR the purpose of altering eligibility for and the amount of a subtraction modification under the Maryland income tax for a taxpayer who adopts a child; and generally relating to a subtraction modification under the Maryland income tax for the adoption of a child.

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–208(a)

Annotated Code of Maryland

(2022 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–208(b)

Annotated Code of Maryland

(2022 Replacement Volume)

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

Article – Tax – General

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(b) The subtraction under subsection (a) of this section includes **AN AMOUNT EQUAL TO:**

(1) [if the child is a State resident at the time of adoption, reasonable and necessary adoption fees, court costs, attorney fees, and other expenses not exceeding:

(i) \$6,000 that a parent incurs in the adoption of] **\$12,000, IF DURING THE TAXABLE YEAR THE TAXPAYER ADOPTS** a child who the State determines is a child with a special need, as described in § 473(c)(1) and (2) of the Social Security Act,

[if] AND the adoption is made through a private, nonprofit, licensed adoption agency or a public child welfare agency; and

(2) [(ii) \$5,000 that a parent incurs in the adoption of] **\$10,000, IF DURING THE TAXABLE YEAR THE TAXPAYER ADOPTS** a child without a special need as provided under item [(i)] **(1)** of this [item; and

(2) if the child is not a State resident at the time of adoption, reasonable and necessary adoption fees, court costs, attorney fees, and other expenses not exceeding:

(i) \$3,000 that a parent incurs in the adoption of a child who the State determines is a child with a special need, as described in § 473(c)(1) and (2) of the Social Security Act, if the adoption is made through a private, nonprofit, licensed adoption agency, or a public child welfare agency; and

(ii) \$2,000 that a parent incurs in the adoption of a child without a special need as provided under item (i) of this item] **SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023, and shall be applicable to all taxable years beginning after December 31, 2022.

Approved by the Governor, May 8, 2023.