

SENATE BILL 141

Q3

3lr1092
CF 3lr0612

By: **Senators Elfreth and Zucker**

Introduced and read first time: January 16, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification for Adoption Expenses – Alterations**

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

7 BY repealing and reenacting, without amendments,
8 Article – Tax – General
9 Section 10–208(a)
10 Annotated Code of Maryland
11 (2022 Replacement Volume)

12 BY repealing and reenacting, with amendments,
13 Article – Tax – General
14 Section 10–208(b)
15 Annotated Code of Maryland
16 (2022 Replacement Volume)

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

19 **Article – Tax – General**

20 10–208.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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.