

~~Section 10-207(a)~~
~~Annotated Code of Maryland~~
~~(1988 Volume and 1994 Supplement)~~

BY adding to

Article - Tax - General
 Section ~~10-207(s)~~ 10-703.1
 Annotated Code of Maryland
 (1988 Volume and 1994 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General
Section 10-706(b)
Annotated Code of Maryland
(1988 Volume and 1994 Supplement)

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

Article - Tax - General

~~10-207.~~

~~(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.~~

~~(S) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT EQUAL TO THE LESSER OF:~~

~~(1) THE GAIN RECOGNIZED FOR THE TAXABLE YEAR ON THE SALE OR EXCHANGE OF A RESIDENCE; OR~~

~~(2) THE AMOUNT BY WHICH THE BASIS USED FOR DETERMINING THE GAIN ON THE SALE OR EXCHANGE HAS BEEN REDUCED FOR GAIN NOT RECOGNIZED ON THE SALE OR EXCHANGE OF A PREVIOUS PRINCIPAL RESIDENCE UNDER § 1034 OF THE INTERNAL REVENUE CODE, TO THE EXTENT THAT THE INDIVIDUAL PAID INCOME TAX TO THE STATE WHERE THE PREVIOUS PRINCIPAL RESIDENCE WAS LOCATED FOR THE TAXABLE YEAR OF THE SALE OR EXCHANGE AND THAT STATE DID NOT ALLOW THE GAIN ON THE PREVIOUS SALE OR EXCHANGE TO BE ROLLED OVER IN ACCORDANCE WITH § 1034 OF THE INTERNAL REVENUE CODE.~~

10-703.1.

(A) A RESIDENT MAY CLAIM A CREDIT ONLY AGAINST THE STATE INCOME TAX IN THE AMOUNT DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.

(B) THE CREDIT ALLOWED UNDER SUBSECTION (A) OF THIS SECTION MAY BE CLAIMED BY A RESIDENT WHO: