MARYLAND FORM

502LU

LEGISLATIVE UPDATES ADDITION/ SUBTRACTION MODIFICATIONS

20502LU99

2020

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This Form may be used by resident and nonresident individuals to report income modifications applicable to tax year 2020 that are enacted during the 2021 legislative session, including changes from the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act of 2021 (SB496/Ch. 39).

Print Using Blue or Black Ink Only

Your First Name ______ MI ___ Your Last Name ______ Your Social Security Number ______

Spouse's First Name ______ MI ___ Spouse's Last Name ______ Spouse's Social Security Number ______

ADDITIONS

1. Amount equal to a tax credit claimed for tax paid on distributive or pro-rata share of income by pass-through entity. See Instructions. . . . . ▶ 1. ______ .00

2. Reserved for future use. . . . . ▶ 2. ______ .00

3. Add the amounts from line 1 and 2 and enter here. Combine the amount with the total from Line 2 through 5 on Form 502 (if any) and enter on Form 502 line 6, or combine the amount with the total from Line 18 and 19 on Form 505 (if any) and enter on Form 505 line 20. . . . . 3. ______ .00

SUBTRACTIONS

4. Amount of Maryland benefits received from unemployment compensation (See Box 1, 1099-G, Certain Government Payments). **Attach copy of Form 1099-G.** . . . . ▶ 4. ______ .00

5. Total amount of Coronavirus relief grant payment or Coronavirus relief loan forgiveness . . . . ▶ 5. ______ .00

5a. Source of grant or loan forgiveness on line 5 (check all that apply). **Attach copy of Form 1099.** (Attach a separate statement if additional space is needed.)

☐ United States Federal Government (list issuing agency/entity) ______

☐ State Government (list State and issuing agency/entity) ______

☐ Local Government (list jurisdiction and issuing agency/entity) ______

6. Reserved for future use . . . . ▶ 6. ______ .00

7. Total legislative update subtractions. Add the amounts from lines 4, 5, and 6 and enter here . . . . 7. ______ .00
Follow the instructions on line 15 of Form 502 or line 24 of Form 505 to include this amount.

MARYLAND FORM **502LU**

LEGISLATIVE UPDATES ADDITION/ SUBTRACTION MODIFICATIONS INSTRUCTIONS

2020

GENERAL INSTRUCTIONS

Who May File

This form may be used by both resident and nonresident individuals. If you received unemployment compensation, or if you received a Coronavirus Relief Payment, use this form to subtract those amounts from your federal adjusted gross income to determine your Maryland adjusted gross income.

This form may also be used by resident and nonresident individuals to report income modifications to tax year 2020 authorized by legislation enacted during the 2021 legislative session, including the addition modification for pass-through entity members. Please check our website **marylandtaxes.gov** for legislative updates affecting this form.

Qualifying Guidelines

Unemployment Compensation Subtraction. You qualify for this subtraction if:

- You received unemployment benefits from the Maryland Department of Labor;
- You received unemployment benefits from the unemployment insurance program of any of the following jurisdictions, with which Maryland has a reciprocal taxation agreement: Pennsylvania, Virginia, West Virginia, and Washington, D.C.
- Your federal adjusted gross income does not exceed:
  - $75,000 for single, married filing separately, and dependent filers;
  - $100,000 for a married couple filing a joint return, or an individual filing as head of household or as a surviving spouse.

Coronavirus Relief Payment Subtraction. You qualify for this subtraction if:

- You received a federal, State, or local government grant or loan for which you applied on or after March 5, 2020; and
- The grant or loan was provided for the purpose of assisting with the economic hardships resulting from the Coronavirus pandemic; and
- The grant or amount of loan forgiveness was included in your federal adjusted gross income. Please note, forgiveness of federal Payroll Protection Program loans issued pursuant to the Coronavirus Aid, Relief, and Economic Security Act is not included in federal adjusted gross income, and, therefore, does not qualify for this subtraction.
- In order to be eligible for the subtraction, these amounts must be included in a taxpayer's FAGI for the same year. Please note certain payroll protection programs under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act have already been excluded from FAGI under federal law. As these amounts are not included in a taxpayer's FAGI, they are not eligible for Subtraction on the Maryland return.

Required Attachments

In order to take either subtraction, you must attach to your Maryland return a completed Form 1099-G.

SPECIFIC INSTRUCTIONS

ADDITIONS

Line 1 **Members of pass-through entities that elected to make payments attributable to members' share of the pass-through entity taxable income.** If you received a credit for tax paid by the pass-through entity on your distributive or pro rata share of income on Maryland Schedule K-1 (510), Part D enter the amount of the credit claimed on Form 502CR part CC line 7.

Line 2 Reserved for future use.

Line 3 Add the amounts from lines 1 and 2.

SUBTRACTIONS

You must include a copy of Form 1099 with your return to claim any of the subtractions on lines 4 through 6.

Line 4 Enter amount of unemployment compensation reported on 1099-G, Box 1.

Line 5 Enter total amount of Coronavirus relief grant payment. If you received a Coronavirus relief loan, and any portion of the loan was forgiven, include on this line the amount that was forgiven.

You can find a list of eligible Maryland grant and loan programs at **marylandtaxes.gov/ReliefAct**.

Line 5a. Check the appropriate box. Enter the agency or entity from which you received the grant or loan. A list of eligible grants and loans can be found on the Comptroller's web page.

Line 6 Reserved for future use.

Line 7 Add the amounts from lines 4, 5, and 6.

For more information, visit **marylandtaxes.gov** or email your question to TAXHELP@marylandtaxes.gov. You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.