

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to the relief of mortgage debt:

Paragraph (a) of part B of section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is hereby further amended by adding the following subparagraph:-

(17) Income attributable to the discharge of debt on a principal residence including debt reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a foreclosure, shall qualify for tax relief provided that no more than \$1,000,000 of forgiven debt is eligible for this exclusion, except if married filing jointly, up to \$2,000,000 may be excluded. The exclusion shall not apply if the discharge is due to services performed for the lender or any other reason not directly related to a decline in the home's value or the taxpayer's financial condition. The commissioner of the department of revenue shall promulgate regulations to effectuate this provision.