

**SENATE . . . . . No. 1323**



The Commonwealth of Massachusetts

PRESENTED BY:

*Sal N. DiDomenico*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to the relief of mortgage debt.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>

**SENATE . . . . . No. 1323**

[Pin Slip]

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act relative to the relief of mortgage debt.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

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.