
By: Chairman, Ways and Means Committee (Departmental - Comptroller)

Requested: November 14, 1995

Introduced and read first time: January 10, 1996

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 1996

CHAPTER _____

1 AN ACT concerning

2 Income Tax - Tax Preference Items - Income from State and Municipal Obligations

3 FOR the purpose of clarifying that income from certain State or municipal obligations is
4 not includable as a tax preference item under the Maryland income tax; and
5 generally relating to the Maryland income tax.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 10-222(a)
9 Annotated Code of Maryland
10 (1988 Volume and 1995 Supplement)

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

13 **Article - Tax - General**

14 10-222.

15 (a) In this section, "tax preference items" mean the items that:

16 (1) total more than \$10,000 for an individual return or \$20,000 for a joint
17 return;

18 (2) are defined under § 57 of the Internal Revenue Code;

19 (3) are modified and apportioned under § 59 of the Internal Revenue Code;
20 and

21 (4) are further modified by excluding:

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1 (I) the oil percentage depletion allowance claimed under §613 or §
2 613A of the Internal Revenue Code; AND

3 (II) INTEREST DESCRIBED IN § 57(A)(5) OF THE INTERNAL
4 REVENUE CODE, IF THE INTEREST IS ATTRIBUTABLE TO OBLIGATIONS OF:

5 1. THE STATE OF MARYLAND OR;

6 2. A POLITICAL SUBDIVISION OR AUTHORITY OF THE
7 STATE; OR

8 3. ANY OTHER ENTITY AUTHORIZED UNDER MARYLAND
9 LAW TO ISSUE OBLIGATIONS THE INTEREST ON WHICH IS EXCLUDED FROM GROSS
10 INCOME UNDER § 103 OF THE INTERNAL REVENUE CODE.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,
13 1995.