

SENATE BILL 236

Q3

9lr0856

By: **Senator Exum**

Introduced and read first time: January 23, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Federal Pensions**

3 FOR the purpose of providing a subtraction modification under the Maryland income
4 tax for certain retirement income received for employment with or services
5 provided to the United States government; providing that the subtraction
6 modification does not include certain military retirement income that is
7 included in a certain subtraction modification; providing that retirement income
8 that is included in a certain subtraction modification may not be taken into
9 account for purposes of a certain subtraction modification allowed under the
10 income tax for certain individuals who are at least a certain age or who are
11 disabled or have disabled spouses; providing for the application of this Act; and
12 generally relating to an income tax subtraction modification for certain
13 retirement income.

14 BY repealing and reenacting, without amendments,
15 Article – Tax – General
16 Section 10–207(a)
17 Annotated Code of Maryland
18 (2004 Replacement Volume and 2008 Supplement)

19 BY adding to
20 Article – Tax – General
21 Section 10–207(y)
22 Annotated Code of Maryland
23 (2004 Replacement Volume and 2008 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article – Tax – General
26 Section 10–209(d)
27 Annotated Code of Maryland
28 (2004 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article - Tax - General**

4 10-207.

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

8 **(Y) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
9 **SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
10 **INCLUDES RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL FROM:**

11 **(I) THE UNITED STATES GOVERNMENT SERVICE**
12 **RETIREMENT AND DISABILITY FUND;**

13 **(II) RETIRED OR RETAINER PAY OF THE UNIFORM SERVICES**
14 **OF THE UNITED STATES;**

15 **(III) THE UNITED STATES FOREIGN SERVICE RETIREMENT**
16 **AND DISABILITY SYSTEM; OR**

17 **(IV) ANY OTHER RETIREMENT SYSTEM OR PLAN**
18 **ESTABLISHED BY FEDERAL LAW.**

19 **(2) RETIREMENT INCOME UNDER PARAGRAPH (1) OF THIS**
20 **SUBSECTION DOES NOT INCLUDE MILITARY RETIREMENT INCOME THAT IS**
21 **INCLUDED IN THE SUBTRACTION UNDER SUBSECTION (Q) OF THIS SECTION.**

22 10-209.

23 (d) [Military retirement] **RETIREMENT** income that is included in the
24 subtraction under [§ 10-207(q)] **§ 10-207(Q) OR (Y)** of this subtitle may not be taken
25 into account for purposes of the subtraction under this section.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2009, and shall be applicable to all taxable years beginning after December 31,
28 2008.