
By: Delegates Eckardt and Walkup

Introduced and read first time: February 8, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction for Retirement Income**

3 FOR the purpose of including income from certain retirement plans within a certain
4 subtraction modification allowed under the income tax for certain individuals who
5 are at least a certain age or who are disabled or whose spouse is disabled; and
6 providing for the application of this Act.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 10-209(a)
10 Annotated Code of Maryland
11 (1988 Volume and 1995 Supplement)

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

14 **Article - Tax - General**

15 10-209.

16 (a) To determine Maryland adjusted gross income, if, on the last day of the
17 taxable year, a resident is at least 65 years old or is totally disabled or the resident's
18 spouse is totally disabled, an amount is subtracted from federal adjusted gross income
19 equal to the lesser of:

20 (1) the cumulative or total annuity, pension, or endowment income from an
21 employee retirement system OR INCOME FROM A QUALIFIED RETIREMENT PLAN, AS
22 DEFINED IN § 4974(C) OF THE INTERNAL REVENUE CODE, included in federal adjusted
23 gross income; or

24 (2) the maximum annual benefit under the Social Security Act computed
25 under subsection (b) of this section, less any payment received as old age, survivors, or
26 disability benefits under the Social Security Act, the Railroad Retirement Act, or both.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,
29 1995.