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**By: Senators Young and Trotter**

Introduced and read first time: January 19, 1996

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Payroll Deductions - Mass Transit - Maryland Income Tax**

3 FOR the purpose of allowing certain employees to request payroll deductions for  
4 purchasing mass transit vouchers; requiring the Central Payroll Bureau to make  
5 deductions and pay over the necessary amount to the mass transit provider;  
6 authorizing counties or municipal corporations to make payroll deductions for mass  
7 transit; requiring mass transit providers to accept payment from the Central Payroll  
8 Bureau and a county or municipal corporation and deliver vouchers to the  
9 employees; authorizing a mass transit employee benefit if funds are appropriated;  
10 requiring the State Comptroller to adopt certain regulations; providing a  
11 subtraction modification under the Maryland Income Tax for mass transit payroll  
12 deductions; defining certain terms; and generally relating to payroll deductions for  
13 purchasing mass transit vouchers.

14 BY adding to

15 Article - State Personnel and Pensions  
16 Section 6-403.1  
17 Annotated Code of Maryland  
18 (1994 Replacement Volume and 1995 Supplement)

19 BY adding to

20 Article 24 - Political Subdivisions - Miscellaneous Provisions  
21 Section 17-101 to be under the new title "Title 17. Mass Transit Payroll  
22 Deductions"  
23 Annotated Code of Maryland  
24 (1994 Replacement Volume and 1995 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article - Tax - General  
27 Section 10-207(a)  
28 Annotated Code of Maryland  
29 (1988 Volume and 1995 Supplement)

30 BY adding to

31 Article - Tax - General

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1 Section 10-207(s)  
2 Annotated Code of Maryland  
3 (1988 Volume and 1995 Supplement)

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

6 **Article - State Personnel and Pensions**

7 6-403.1.

8 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (2) "MASS TRANSIT" MEANS PUBLIC BUS OR RAIL TRANSPORTATION  
11 USED FOR THE PURPOSE OF COMMUTING TO AND FROM WORK.

12 (3) "VOUCHER" MEANS A TICKET, TOKEN, OR PASS NEEDED TO USE  
13 MASS TRANSIT SERVICES.

14 (B) THE CENTRAL PAYROLL BUREAU SHALL MAKE PAYROLL DEDUCTIONS,  
15 PURSUANT TO SUBSECTION (C) OF THIS SECTION, FOR PURCHASING MONTHLY MASS  
16 TRANSIT VOUCHERS WHEN WRITTEN NOTIFICATION IS RECEIVED FROM AN  
17 EMPLOYEE.

18 (C) THE CENTRAL PAYROLL BUREAU SHALL:

19 (1) DEDUCT FROM THE EMPLOYEE'S WAGES AN AMOUNT OF MONEY  
20 SUFFICIENT TO PURCHASE MONTHLY MASS TRANSIT VOUCHERS; AND

21 (2) TIMELY PAY OVER THE AMOUNT DEDUCTED TO THE MASS TRANSIT  
22 PROVIDER.

23 (D) MASS TRANSIT PROVIDERS SHALL ESTABLISH METHODS FOR:

24 (1) ACCEPTING PAYMENT FROM THE CENTRAL PAYROLL BUREAU FOR  
25 MASS TRANSIT VOUCHERS; AND

26 (2) TIMELY DELIVERING THE VOUCHERS TO THE EMPLOYEE.

27 (E) (1) AN EMPLOYEE MAY CANCEL A PAYROLL DEDUCTION MADE TO A  
28 MASS TRANSIT PROVIDER BY WRITTEN NOTIFICATION TO THE CENTRAL PAYROLL  
29 BUREAU.

30 (2) AN EMPLOYEE WHO CANCELS PAYROLL DEDUCTIONS FOR MASS  
31 TRANSIT VOUCHERS MAY NOT MAKE ANOTHER REQUEST FOR SUCH DEDUCTIONS  
32 FOR 12 MONTHS.

33 (F) A PRINCIPAL DEPARTMENT OR OTHER INDEPENDENT UNIT IN THE  
34 EXECUTIVE BRANCH MAY IMPLEMENT A PROGRAM FOR ALL OR PART OF THE  
35 DEPARTMENT TO PROVIDE A MASS TRANSIT EMPLOYEE BENEFIT TO SOME OR ALL  
36 OF THE EMPLOYEES OF THE DEPARTMENT OR UNIT FROM FUNDS SPECIFICALLY  
37 APPROPRIATED FOR THIS PURPOSE.

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1 (G) THE STATE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT  
2 THE PROVISIONS OF THIS SECTION.

3 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

4 TITLE 17. MASS TRANSIT PAYROLL DEDUCTIONS.

5 17-101.

6 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (2) "MASS TRANSIT" MEANS PUBLIC BUS OR RAIL TRANSPORTATION  
9 USED FOR THE PURPOSE OF COMMUTING TO AND FROM WORK.

10 (3) "VOUCHER" MEANS A TICKET, TOKEN, OR PASS NEEDED TO USE  
11 MASS TRANSIT SERVICES.

12 (B) A COUNTY OR MUNICIPAL CORPORATION MAY MAKE PAYROLL  
13 DEDUCTIONS, PURSUANT TO SUBSECTION (C) OF THIS SECTION, FOR PURCHASING  
14 MONTHLY MASS TRANSIT VOUCHERS WHEN WRITTEN NOTIFICATION IS RECEIVED  
15 FROM AN EMPLOYEE OF THE COUNTY OR MUNICIPAL CORPORATION.

16 (C) THE COUNTY OR MUNICIPAL CORPORATION SHALL:

17 (1) DEDUCT FROM THE EMPLOYEE'S WAGES AN AMOUNT OF MONEY  
18 SUFFICIENT TO PURCHASE MONTHLY MASS TRANSIT VOUCHERS; AND

19 (2) TIMELY PAY OVER THE AMOUNT DEDUCTED TO THE MASS TRANSIT  
20 PROVIDER.

21 (D) MASS TRANSIT PROVIDERS SHALL ESTABLISH METHODS FOR:

22 (1) ACCEPTING PAYMENT FROM THE COUNTY OR MUNICIPAL  
23 CORPORATION FOR MASS TRANSIT VOUCHERS; AND

24 (2) TIMELY DELIVERING THE VOUCHERS TO THE EMPLOYEE.

25 **Article - Tax - General**

26 10-207.

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

30 (S) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES:

31 (1) AMOUNTS PAID BY THE CENTRAL PAYROLL BUREAU ON BEHALF OF  
32 THE INDIVIDUAL AS A PAYROLL DEDUCTION FOR PURCHASING MASS TRANSIT  
33 VOUCHERS PURSUANT TO § 6-403.1 OF THE STATE PERSONNEL AND PENSIONS  
34 ARTICLE; OR

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1                   (2) AMOUNTS PAID BY A POLITICAL SUBDIVISION ON BEHALF OF THE  
2 INDIVIDUAL AS A PAYROLL DEDUCTION FOR PURCHASING MASS TRANSIT  
3 VOUCHERS PURSUANT TO ARTICLE 24, § 17-101 OF THE CODE.

4                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 1996.