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**By: Senators Young and Trotter, Trotter, and McFadden**

Introduced and read first time: January 19, 1996

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 15, 1996

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CHAPTER \_\_\_\_

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,~~

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1 ~~Article—Tax—General~~  
2 ~~Section 10-207(a)~~  
3 ~~Annotated Code of Maryland~~  
4 ~~(1988 Volume and 1995 Supplement)~~

5 ~~BY adding to~~  
6 ~~Article—Tax—General~~  
7 ~~Section 10-207(s)~~  
8 ~~Annotated Code of Maryland~~  
9 ~~(1988 Volume and 1995 Supplement)~~

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

12 **Article - State Personnel and Pensions**

13 6-403.1.

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
15 INDICATED.

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

18 (3) "VOUCHER" MEANS A METHOD TO PURCHASE A TICKET, TOKEN, OR  
19 PASS NEEDED TO USE MASS TRANSIT SERVICES.

20 (B) THE CENTRAL PAYROLL BUREAU SHALL MAKE PAYROLL DEDUCTIONS,  
21 PURSUANT TO SUBSECTION (C) OF THIS SECTION, FOR PURCHASING ~~MONTHLY~~ MASS  
22 TRANSIT VOUCHERS WHEN WRITTEN NOTIFICATION IS RECEIVED FROM AN  
23 EMPLOYEE.

24 (C) THE CENTRAL PAYROLL BUREAU SHALL:

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

27 (2) TIMELY PAY OVER THE AMOUNT DEDUCTED TO THE MASS TRANSIT  
28 PROVIDER.

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

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

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

33 (E) (1) AN EMPLOYEE MAY CANCEL A PAYROLL DEDUCTION MADE TO A  
34 MASS TRANSIT PROVIDER BY WRITTEN NOTIFICATION TO THE CENTRAL PAYROLL  
35 BUREAU.

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

4 (F) A PRINCIPAL DEPARTMENT OR OTHER INDEPENDENT UNIT IN THE  
5 EXECUTIVE BRANCH MAY IMPLEMENT A PROGRAM FOR ALL OR PART OF THE  
6 DEPARTMENT TO PROVIDE A MASS TRANSIT EMPLOYEE BENEFIT TO SOME OR ALL  
7 OF THE EMPLOYEES OF THE DEPARTMENT OR UNIT FROM FUNDS SPECIFICALLY  
8 APPROPRIATED FOR THIS PURPOSE.

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

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

12 TITLE 17. MASS TRANSIT PAYROLL DEDUCTIONS.

13 17-101.

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
15 INDICATED.

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

18 (3) "VOUCHER" MEANS A METHOD TO PURCHASE A TICKET, TOKEN, OR  
19 PASS NEEDED TO USE MASS TRANSIT SERVICES.

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

24 (C) THE COUNTY OR MUNICIPAL CORPORATION SHALL:

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

27 (2) TIMELY PAY OVER THE AMOUNT DEDUCTED TO THE MASS TRANSIT  
28 PROVIDER.

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

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

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

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1            ~~Article—Tax—General~~

2 ~~10-207.~~

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

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

7                    ~~(1) AMOUNTS PAID BY THE CENTRAL PAYROLL BUREAU ON BEHALF OF~~  
8 ~~THE INDIVIDUAL AS A PAYROLL DEDUCTION FOR PURCHASING MASS TRANSIT~~  
9 ~~VOUCHERS PURSUANT TO § 6-403.1 OF THE STATE PERSONNEL AND PENSIONS~~  
10 ~~ARTICLE; OR~~

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

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