

SENATE BILL 401

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Q3

2000 Regular Session
0lr2330

By: **Senators Teitelbaum, Kelley, DeGrange, Della, Munson, Ruben, Astle,
and Stone**

Introduced and read first time: February 3, 2000

Assigned to: Budget and Taxation

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
5 who are at least a certain age or who are disabled or whose spouse is disabled;
6 providing for the application of this Act; and generally relating to a subtraction
7 modification under the income tax for certain individuals for certain retirement
8 income.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - General
11 Section 10-209
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 1999 Supplement)

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

16 **Article - Tax - General**

17 10-209.

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

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

26 (2) the maximum annual benefit under the Social Security Act computed
27 under subsection (b) of this section, less any payment received as old age, survivors,

1 or disability benefits under the Social Security Act, the Railroad Retirement Act, or
2 both.

3 (b) For purposes of subsection (a)(2) of this section, the Comptroller:

4 (1) shall determine the maximum annual benefit under the Social
5 Security Act allowed for an individual who retired at age 65 for the prior calendar
6 year; and

7 (2) may allow the subtraction to the nearest \$100.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
10 1999.