Unofficial Copy Q3 2004 Regular Session 4lr3149 CF HB 1182

By: Senators Kittleman and Astle

Introduced and read first time: February 24, 2004

Assigned to: Rules

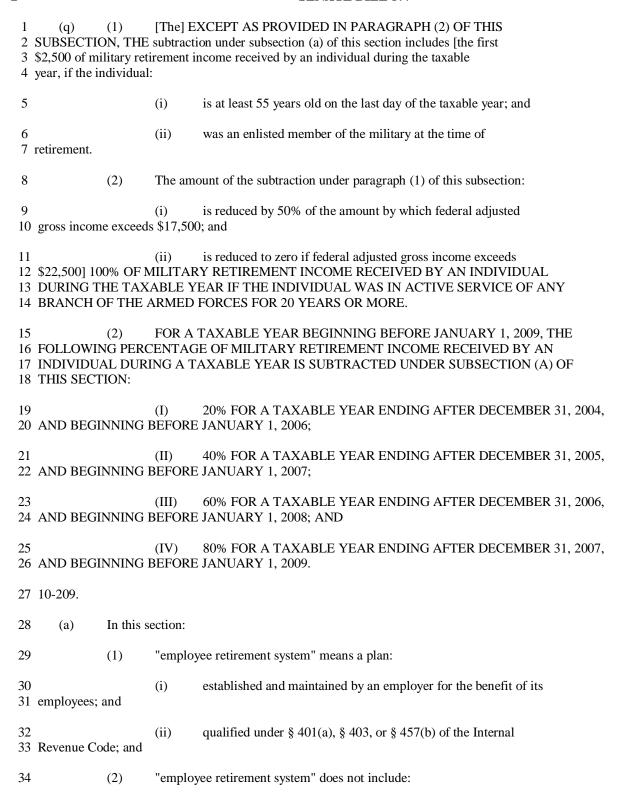
A BILL ENTITLED

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## 2 Income Tax - Subtraction Modification - Military Retirement Income

- 3 FOR the purpose of altering a certain subtraction modification under the Maryland
- 4 income tax for military retirement income over a certain period of time;
- 5 providing that retirement income that is included in a certain subtraction may
- 6 not be taken into account for purposes of a certain subtraction modification
- 7 allowed under the income tax for certain individuals who are at least a certain
- 8 age or who are disabled or have disabled spouses; providing for the application
- 9 of this Act; and generally relating to a subtraction modification for military
- 10 retirement income.
- 11 BY repealing and reenacting, without amendments,
- 12 Article Tax General
- 13 Section 10-207(a)
- 14 Annotated Code of Maryland
- 15 (1997 Replacement Volume and 2003 Supplement)
- 16 BY repealing and reenacting, with amendments,
- 17 Article Tax General
- 18 Section 10-207(q) and 10-209
- 19 Annotated Code of Maryland
- 20 (1997 Replacement Volume and 2003 Supplement)
- 21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 22 MARYLAND, That the Laws of Maryland read as follows:
- 23 Article Tax General
- 24 10-207.
- 25 (a) To the extent included in federal adjusted gross income, the amounts under
- 26 this section are subtracted from the federal adjusted gross income of a resident to
- 27 determine Maryland adjusted gross income.

## **SENATE BILL 877**



## SENATE BILL 877

| 1 2      | Internal Revenue Coo                         | (i)<br>le;              | an individual retirement account or annuity under § 408 of the   |
|----------|--|-------------------------|--|
| 3        | Internal Revenue Coo                         | (ii)<br>le;             | a Roth individual retirement account under § 408A of the   |
| 5        |  | (iii)                   | a rollover individual retirement account;  |
| 6<br>7   | 408(k); or                                   | (iv)                    | a simplified employee pension under Internal Revenue Code §  |
| 8<br>9   | Internal Revenue Coo                         | (v)<br>le.              | an ineligible deferred compensation plan under § 457(f) of the   |
| 12       | Maryland adjusted g<br>least 65 years old or | ross inco<br>is totally | TO SUBSECTION (D) OF THIS SECTION, TO determine me, if, on the last day of the taxable year, a resident is at disabled or the resident's spouse is totally disabled, an eral adjusted gross income equal to the lesser of: |
| 14<br>15 | (1) an employee retirem                      |                         | ulative or total annuity, pension, or endowment income from n included in federal adjusted gross income; or  |
|          | under subsection (c)                         | of this se              | imum annual benefit under the Social Security Act computed ction, less any payment received as old age, survivors, or ocial Security Act, the Railroad Retirement Act, or both.  |
| 19       | (c) For pur                                  | poses of s              | subsection (b)(2) of this section, the Comptroller:  |
|          | (1)<br>Security Act allowed<br>year; and     |                         | termine the maximum annual benefit under the Social dividual who retired at age 65 for the prior calendar  |
| 23       | (2)  | may allo                | ow the subtraction to the nearest \$100.   |
|          |  | SUBTIT                  | NCOME THAT IS INCLUDED IN THE SUBTRACTION UNDER §<br>LE MAY NOT BE TAKEN INTO ACCOUNT FOR PURPOSES OF<br>ER THIS SECTION.  |
| 27<br>28 |  |                         | FURTHER ENACTED, That this Act shall take effect licable to all taxable years after December 31, 2004.   |