

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL NO. 22  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after “Astle,” insert “Kittleman,”; strike in its entirety line 3 and substitute “Income Tax - Subtraction Modification - Retirement Income”; strike beginning with “providing” in line 6 down through “law,” in line 15 and substitute “providing a certain subtraction modification under the Maryland income tax under certain circumstances for certain retirement income attributable to a resident’s employment as a law enforcement officer or the individual’s service as fire, rescue, or emergency services personnel; reducing the amount of certain subtraction modifications allowed if certain income of the individual exceeds certain amounts; providing that retirement income that is included in the subtraction modification may not be taken into account for purposes of a certain subtraction modification allowed under the income tax for certain individuals who are at least a certain age or who are disabled or have disabled spouses;”; and in line 17, strike “blind and elderly individuals and military”.

On page 2, in line 3, strike the first comma and substitute “and”; in the same line, strike “, and 10-211”; and after line 5, insert:

“BY adding to

Article - Tax - General

Section 10-207(q-1)

Annotated Code of Maryland

(2004 Replacement Volume and 2005 Supplement)”.

AMENDMENT NO. 2

On page 2, in lines 15 and 28, in each instance, before “MILITARY” insert “ACTIVE”; and in line 24, after “5.” insert “WITH RESPECT TO A PERSON SEPARATED FROM EMPLOYMENT ON OR AFTER JULY 1, 1991,”.

(Over)

AMENDMENT NO. 3

On page 2, in line 29, strike “The” and substitute “SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE”.

On pages 2 and 3, strike beginning with the colon in line 30 on page 2 down through “YEAR” in line 5 on page 3 and substitute “THE FIRST \$10,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR, IF THE INDIVIDUAL IS AT LEAST 55 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR.”

[(2)] (3) The amount of the subtraction under paragraph [(1)] (2) of this subsection[:

(i) is reduced by [50% of the amount by which federal adjusted gross income exceeds \$17,500; and

(ii) is reduced to zero if federal adjusted gross income exceeds \$22,500] THE AMOUNT BY WHICH THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS INCOME, LESS THE AMOUNT OF SOCIAL SECURITY BENEFITS INCLUDED IN FEDERAL ADJUSTED GROSS INCOME UNDER § 86 OF THE INTERNAL REVENUE CODE, EXCEEDS:

(I) \$75,000 FOR AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN ITEM (II) OR (III) OF THIS PARAGRAPH;

(II) \$100,000 FOR A MARRIED COUPLE FILING A JOINT RETURN OR FOR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE; OR

(III) FOR A MARRIED COUPLE FILING SEPARATELY, \$50,000 FOR EACH SPOUSE.

(Q-1) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE FIRST \$7,500 OF RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR THAT IS ATTRIBUTABLE TO THE INDIVIDUAL’S EMPLOYMENT AS A LAW ENFORCEMENT OFFICER OR FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL OF THE UNITED STATES, THE STATE, OR A POLITICAL SUBDIVISION OF THE STATE, IF THE INDIVIDUAL IS AT LEAST 55 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR.

(2) THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS REDUCED BY THE AMOUNT BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME, LESS THE AMOUNT OF SOCIAL SECURITY BENEFITS INCLUDED IN FEDERAL ADJUSTED GROSS INCOME UNDER § 86 OF THE INTERNAL REVENUE CODE, EXCEEDS:

(I) \$75,000 FOR AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN ITEM (II) OR (III) OF THIS PARAGRAPH;

(II) \$100,000 FOR A MARRIED COUPLE FILING A JOINT RETURN OR FOR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE; OR

(III) FOR A MARRIED COUPLE FILING SEPARATELY, \$50,000 FOR EACH SPOUSE”.

AMENDMENT NO. 4

On page 4, in line 22, after “(D)” insert “(1)”; and after line 24, insert:

“(2) RETIREMENT INCOME OF A LAW ENFORCEMENT OFFICER OR OF FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL THAT IS INCLUDED IN THE SUBTRACTION UNDER § 10-207(Q-1) OF THIS SUBTITLE MAY NOT BE TAKEN INTO ACCOUNT FOR PURPOSES OF THE SUBTRACTION UNDER THIS SECTION.”.

AMENDMENT NO. 5

On pages 4 and 5, strike in their entirety the lines beginning with line 25 on page 4 through line 36 on page 5, inclusive.

AMENDMENT NO. 6

On page 6, in line 3, strike “2006” and substitute “2005”.