

# SENATE BILL 262

Q3  
SB 213/09 – B&T

0lr1960  
CF 0lr1959

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By: **Senator DeGrange**  
Introduced and read first time: January 22, 2010  
Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – U.S. Government Employees’ Foreign Earned Income**

3 FOR the purpose of making permanent a subtraction modification under the Maryland  
4 income tax for certain foreign earned income of employees of the United States  
5 or of any agency of the United States; providing for the application of this Act;  
6 and generally relating to an income tax subtraction modification for certain  
7 foreign earned income of an individual earned as an employee of the United  
8 States or of an agency of the United States.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 10–207(a)  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2009 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – General  
16 Section 10–207(w)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2009 Supplement)

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

21 **Article – Tax – General**

22 10–207.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1           (w)   (1)   In this subsection:

2                           (i)   except as provided in item (ii) of this paragraph, “foreign  
3 earned income” means foreign earned income within the meaning of § 911(b)(1) of the  
4 Internal Revenue Code, subject to the limitation under § 911(b)(2) of the Internal  
5 Revenue Code; and

6                           (ii)   “foreign earned income” includes amounts paid by the  
7 United States or an agency of the United States to an employee of the United States or  
8 of an agency of the United States.

9                           (2)   Subject to the limitation under paragraph (3) of this subsection,  
10 [for each taxable year beginning after December 31, 2006, but before January 1,  
11 2010,] the subtraction under subsection (a) of this section includes the foreign earned  
12 income of an individual earned as an employee of the United States or of an agency of  
13 the United States.

14                          (3)   The amount subtracted under this section:

15                           (i)   does not include any amount subtracted under any other  
16 provisions of this section; and

17                           (ii)   may not exceed \$3,500 for any taxable year.

18           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 2010, and shall be applicable to all taxable years beginning after December 31,  
20 2009.