

# HOUSE BILL 870

Q3  
HB 1216/14 – W&M

5lr1873

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By: **Delegates Parrott, Flanagan, Glass, Kittleman, Metzgar, Shoemaker, and B. Wilson**

Introduced and read first time: February 13, 2015

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Elderly or Disabled Individuals**

3 FOR the purpose of providing a subtraction modification under the Maryland income tax  
4 for any income received by a certain individual who is at least a certain age or is  
5 totally disabled; repealing certain obsolete provisions; providing for the application  
6 of this Act; and generally relating to an income tax subtraction modification for  
7 income of a certain individual who is at least a certain age or is totally disabled.

8 BY repealing and reenacting, without amendments,

9 Article – Tax – General

10 Section 10–207(a)

11 Annotated Code of Maryland

12 (2010 Replacement Volume and 2014 Supplement)

13 BY adding to

14 Article – Tax – General

15 Section 10–207(cc)

16 Annotated Code of Maryland

17 (2010 Replacement Volume and 2014 Supplement)

18 BY repealing

19 Article – Tax – General

20 Section 10–209

21 Annotated Code of Maryland

22 (2010 Replacement Volume and 2014 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article – Tax – General

25 Section 10–211(a)

26 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2010 Replacement Volume and 2014 Supplement)

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

**Article – Tax – General**

10–207.

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

**(CC) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY INCOME RECEIVED BY A RESIDENT DURING THE TAXABLE YEAR IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE RESIDENT IS AT LEAST 65 YEARS OLD OR IS TOTALLY DISABLED OR THE RESIDENT’S SPOUSE IS TOTALLY DISABLED.**

[10–209.

(a) In this section:

(1) “employee retirement system” means a plan:

(i) established and maintained by an employer for the benefit of its employees; and

(ii) qualified under § 401(a), § 403, or § 457(b) of the Internal Revenue Code; and

(2) “employee retirement system” does not include:

(i) an individual retirement account or annuity under § 408 of the Internal Revenue Code;

(ii) a Roth individual retirement account under § 408A of the Internal Revenue Code;

(iii) a rollover individual retirement account;

(iv) a simplified employee pension under Internal Revenue Code § 408(k); or

(v) an ineligible deferred compensation plan under § 457(f) of the Internal Revenue Code.

1 (b) Subject to subsection (d) of this section, to determine Maryland adjusted gross  
2 income, if, on the last day of the taxable year, a resident is at least 65 years old or is totally  
3 disabled or the resident's spouse is totally disabled, an amount is subtracted from federal  
4 adjusted gross income equal to the lesser of:

5 (1) the cumulative or total annuity, pension, or endowment income from an  
6 employee retirement system included in federal adjusted gross income; or

7 (2) the maximum annual benefit under the Social Security Act computed  
8 under subsection (c) of this section, less any payment received as old age, survivors, or  
9 disability benefits under the Social Security Act, the Railroad Retirement Act, or both.

10 (c) For purposes of subsection (b)(2) of this section, the Comptroller:

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

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

14 (d) Military retirement income that is included in the subtraction under §  
15 10-207(q) of this subtitle may not be taken into account for purposes of the subtraction  
16 under this section.]

17 10-211.

18 (a) Except as provided in subsection (b) of this section, whether or not a federal  
19 return is filed, to determine Maryland taxable income, an individual other than a fiduciary  
20 may deduct as an exemption:

21 (1) \$3,200 for each exemption that the individual may deduct in the taxable  
22 year to determine federal taxable income under § 151 of the Internal Revenue Code;

23 (2) an additional \$3,200 for each dependent, as defined in § 152 of the  
24 Internal Revenue Code, who is at least 65 years old on the last day of the taxable year; **AND**

25 (3) [an additional \$1,000 if the individual, on the last day of the taxable  
26 year, is at least 65 years old; and

27 (4)] an additional \$1,000 if the individual, on the last day of the taxable  
28 year, is a blind individual, as described in § 10-208(c) of this subtitle.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
30 1, 2015, and shall be applicable to all taxable years beginning after December 31, 2014.