

SENATE BILL 405

Q3

2lr0150
CF HB 420

By: The President (By Request – Administration) and Senators Bailey, Carozza, Cassilly, Corderman, Eckardt, Edwards, Elfreth, Hershey, Hester, Jennings, Ready, Salling, Simonaire, and West

Introduced and read first time: January 24, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

Retirement Tax Elimination Act of 2022

3 FOR the purpose of allowing, subject to certain limitations, certain individuals a
4 subtraction modification under the Maryland income tax for a certain amount of
5 income; prohibiting an individual who includes income under the subtraction
6 modification from including income under a certain subtraction modification for
7 certain retirement income; and generally relating to a subtraction modification
8 under the Maryland income tax.

9 BY repealing and reenacting, without amendments,

10 Article – Tax – General

11 Section 10–207(a)

12 Annotated Code of Maryland

13 (2016 Replacement Volume and 2021 Supplement)

14 BY adding to

15 Article – Tax – General

16 Section 10–207(mm)

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2021 Supplement)

19 BY repealing and reenacting, with amendments,

20 Article – Tax – General

21 Section 10–209(d)

22 Annotated Code of Maryland

23 (2016 Replacement Volume and 2021 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

25 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Tax – General

2 10-207.

6 (MM) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE
7 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY INCOME OF
8 AN INDIVIDUAL IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE INDIVIDUAL:

9 (I) IS RECEIVING OLD AGE OR SURVIVOR BENEFITS UNDER THE
10 SOCIAL SECURITY ACT; OR

16 (3) (i) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS
17 SUBSECTION MAY NOT EXCEED:

28 (II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
29 2026, THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDES

1 ALL INCOME OF THE INDIVIDUAL.

2 (4) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT
3 THE PROVISIONS OF THIS SUBSECTION.

4 10-209.

5 (d) (1) Military retirement income that is included in the subtraction under §
6 10-207(q) of this subtitle may not be taken into account for purposes of the subtraction
7 under this section.

8 (2) INCOME THAT IS INCLUDED IN THE SUBTRACTION UNDER §
9 10-207(MM) OF THIS SUBTITLE MAY NOT BE TAKEN INTO ACCOUNT FOR PURPOSES
10 OF THE SUBTRACTION UNDER THIS SECTION.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2022.