

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
BACK	fy 2021	fy 2022	fy 2023	fy 2024	fy 2025	Next5	10 yr			FISCAL SUMMARY ADDITIONAL TEXT AND NOTES				
Revenue	-86.7	-286.5	-627	-726.3	-758.9	-3870.39	-6355.79							
Expense	0	0	0	0	0	0	0							

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GF Revenue	(\$86.7)	(\$286.5)	(\$627.0)	(\$726.3)	(\$758.9)
Expenditure	0	0	0	0	0
Net Effect	(\$86.7)	(\$286.5)	(\$627.0)	(\$726.3)	(\$758.9)

House Bill 61 (Delegate Grammer)
Ways and Means

Income Tax - Subtraction Modification - Retirement Income

This bill alters the existing pension exclusion subtraction modification under the State income tax by (1) exempting 100% of eligible pension income, phased in over three tax years and (2) allowing income from the additional plans or sources to be included within the subtraction modification. **The bill takes effect July 1, 2020, and applies to tax years 2020 and beyond.**

<http://mgaleg.maryland.gov/mgaweb/Legislation/Details/XXXXX?ys=2020RS>
[Main](#) [Text](#) [Fnote](#)

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1ST READING REFERRAL TO CMTE 2ND READING 3RD READING 1ST READING REFERRAL TO CMTE 2ND READING 3RD READING REVIEW IN ORIGINAL CHAMBER CONF. CMTE (IF NECESSARY)

Income Tax - Subtraction Modification - Retirement Income
Delegate Grammer
In the House - Hearing 1/28 at 1:15 p.m.
[Fiscal and Policy Note](#)
Including income from certain retirement plans within a certain subtraction modification allowed under the Maryland income tax for certain individuals who are at least a certain age or who are dis is disabled; altering the maximum amount of the subtraction modification beginning in taxable year 2020; providing that income included in certain subtraction modifications may not be taken into of the subtraction modification for retirement income; etc.
Original:
[Ways and Means](#)
Bill File Type: Regular
Effective Date(s): July 1, 2020

Fiscal Summary

State Effect: General fund revenues decrease by \$86.7 million in FY 2021 due to additional retirement income being exempted. Future year revenue decreases reflect phase-in specified by the bill and the projected growth in the number of eligible taxpayers and retirement income. Expenditures are not affected.

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GF Revenue	(\$86.7)	(\$286.5)	(\$627.0)	(\$726.3)	(\$758.9)
Expenditure	0	0	0	0	0
Net Effect	(\$86.7)	(\$286.5)	(\$627.0)	(\$726.3)	(\$758.9)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; () = indeterminate decrease

Local Effect: Local revenues decrease by \$12.7 million in FY 2021 and by \$513.6 million in FY 2025. Local expenditures are not affected.

BILL FRONT PAGE

FISCAL SUMMARY TEXT AND NOTES

HOUSE BILL 61

Analysis

Q3 01r0658

By: Delegate Grammer
Introduced and read first time: January 9, 2020
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income Tax - Subtraction Modification - Retirement Income

FOR the purpose of including income from certain retirement plans within a certain

Bill Summary: The bill alters the maximum exclusion amount for qualifying individuals to equal (1) 30% of qualified income in tax year 2020; (2) 60% in tax year 2021; and (3) 100% beginning in tax year 2022. The maximum exclusion amount in each year is not reduced by the amount of Social Security payments received as provided under current law.

The bill expands the pension exclusion by allowing income from the following plans or sources to be included within the subtraction modification: (1) individual retirement accounts and annuities under Section 408 of the Internal Revenue Code (IRC); (2) Roth