



**Senate Bill 336 – Income Tax – Subtraction Modification – Catastrophe Savings Accounts**  
**Senate Budget and Taxation Committee**  
**February 5, 2020**  
***Favorable with Amendments***

The Maryland Bankers Association (MBA) supports Senate Bill 336 – Income Tax – Subtraction Modification – Catastrophe Savings Accounts with amendments. This legislation allows a subtraction modification under the Maryland income tax for deposits into and the interest earnings of a deposit account an individual establishes as catastrophe savings accounts. MBA supports the legislative intent of the bill which is to provide a savings tool to help people save funds for damages caused to dwellings by catastrophic weather events.

MBA's amendments remove the limitation on attachment, etc. of the account. The amendments also clarify that the individual establishing the account, and not the financial institution where the account is opened, is responsible for tax reporting and other responsibilities under this bill. We have discussed this amendment with the bill sponsor who is agreeable to this change. MBA supports SB 336 with the below amendment.

**AMENDMENTS TO SENATE BILL NO. 336**  
**(First Reading File Bill)**

**AMENDMENT NO. 1**

On page 5, strike in their entirety lines 1 through 3; on that same page, in line 4, strike "(6)" and substitute "**(5)**".

**AMENDMENT NO. 2**

On page 5, after line 15, insert:

**"(6) A FINANCIAL INSTITUTION SHALL NOT BE REQUIRED TO DETERMINE  
WHETHER THE ACCOUNT HOLDER IS IN COMPLIANCE WITH THIS SUBSECTION."**

*Explanation Amendment No. 1: This amendment removes the limitation on attachment, etc. of the account.*

*Explanation Amendment No. 2: This amendment explains that the financial institution is not responsible to ensure the account holder achieves the favorable tax treatment afforded by this Act.*

Offered by the Maryland Bankers Association