

or disabilities arising out of and in the course of their employment as policemen or firemen; [(4)] (3) for all taxable years ending after December 31, 1972, amounts received by an individual who has attained the age of 65 years before the close of the taxable year as an annuity, pension, or endowment under a private, municipal, State or federal employee retirement system, and included in such individual's federal adjusted gross income, this subtraction shall not exceed an amount equal to the average annual benefit received in Maryland by persons who retired at the age of 65 or older under the Social Security and Railroad Retirement Acts for the prior calendar year. The Comptroller shall determine the amount of the average benefit annually and for the purposes of this subparagraph may allow the subtraction to the nearest \$100. The allowed subtraction shall be reduced by the amount of old age, survivors, or disability benefits received under the Social Security Act, the Railroad Retirement Act, or both, as the case may be; [and (5)] (4) in the case of persons retired prior to January 1, 1967, payments received which represent uncovered contributions to a retirement system over and above any amount of such contributions remaining to be recovered tax free on the federal return, limited to an amount which together with the amount of any tax-free exclusion in the federal return does not exceed the exclusion which was permitted under the laws and regulations of this State prior to the year 1967; [and (6)] (5) to the extent included, the amount of any refunds of income taxes paid to the State of Maryland, any other state, the District of Columbia, and any political subdivision of the State of Maryland and of any other state; [and (7)] (6) to the extent included, distributions to beneficiaries of accumulated income on which income tax has been paid by a fiduciary to this State; and [(8)] (7) for all taxable years ending after December 31, 1972, amounts received by an individual who is totally disabled, as an annuity, pension or endowment under a private, municipal, State or federal retirement system, and included in such individual's federal adjusted gross income, this subtraction shall not exceed an amount equal to the average annual benefit received in Maryland by persons who retired at the age of 65 or older under the Social Security and Railroad Retirement Acts for the prior calendar year. The comptroller shall determine the amount of the average benefit annually and for the purposes of this subparagraph may allow the subtraction to the nearest \$100. The allowed subtraction shall be reduced by the amount of disability benefits received under the Social Security Act, the Railroad Retirement Act, or both, as the case may be.

SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act are applicable to all taxable years of individual taxpayers beginning after December 31, 1975.