

AN ACT concerning

Income Tax - Interest Exemption

FOR the purpose of excluding from taxable income, for State income tax purposes, a certain amount of interest received by individuals; with respect to any account with a financial institution, and limiting the excludable amounts provided by this Act up to a certain amount and making this Act null and void under certain circumstances.

BY repealing and reenacting with amendments.

Article 81 - Revenue and Taxes  
Section 280(c)  
Annotated Code of Maryland  
(1975 Replacement Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 81 - Revenue and Taxes

280.

(c) There shall be subtracted from federal adjusted gross income: (1) interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States and any other income to the extent includable in gross income for federal income tax purposes, but exempt from State income taxes under the laws of the United States; (2) payments received by policemen and firemen from pension systems for injuries or disabilities arising out of and in the course of their employment as policemen or firemen; (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 maximum annual benefits permitted for persons who retired at the age of 65 or older under the Social Security Act for the prior calendar year. The Comptroller shall determine the amount of the maximum 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; (4) in the case of persons retired prior to January 1, 1967, payments received which represent unrecovered contributions to a retirement system over and above any amount of such contributions remaining to be

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