

Article 81 - Revenue and Taxes  
 Section ~~288(d)(9)~~ 280(b)(6) and (7) and 312(g) and (h)(4)  
 Annotated Code of Maryland  
 (1980 Replacement Volume and 1984 Supplement)

BY adding to

Article 81 - Revenue and Taxes  
 Section ~~290(e)~~ 280(b)(8), 290(c), and 312(a-2)  
 Annotated Code of Maryland  
 (1980 Replacement Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 81 - Revenue and Taxes

280.

(b) There shall be added to federal adjusted gross income:

(6) The ordinary income portion of a lump-sum distribution allowable as a deduction from federal adjusted gross income under § 402(e)(3) of the Internal Revenue Code, and to the extent treated as ordinary income, 40 percent of the capital gain portion of the distribution as provided in § 402(a)(2) of the Internal Revenue Code, and giving effect to § 402(e)(1)(D) of the Internal Revenue Code; [and]

(7) The deduction for two-earner married couples as claimed and allowed under § 62 of the Internal Revenue Code, as amended from time to time[.]; AND

(8) THE AMOUNT OF THE CREDIT CLAIMED UNDER SECTION 290(C) OF THIS SUBTITLE, IF THE CREDIT IS BASED UPON TAXES PAID BY AN "S" CORPORATION TO A STATE WHICH DOES NOT RECOGNIZE FEDERAL "S" CORPORATION TAX TREATMENT.

~~288.~~

~~(d)--The-following-shall-not-be-liable-for-the-tax-imposed by-this-section:~~

~~(9) (i)--{For} EXCEPT-AS-PROVIDED-IN-ITEM-(ii)-OF-THIS PARAGRAPH,--FOR taxable--years--ending--after--December-31,--1975, small-business-corporations,--as-defined-by-§-{1371}-1361--of--the Internal--Revenue--Code,--as-amended--from--time--to--time,--which--have elected--to--be--taxed--in--accordance--with--the--provisions--of Subchapter--"S"--of--the--Internal--Revenue--Code.~~

~~(ii)--A--SMALL--BUSINESS--CORPORATION--THAT--HAS ELECTED--TO--BE--TAXED--IN--ACCORDANCE--WITH--THE--PROVISIONS--OF SUBCHAPTER--"S"--OF--THE--INTERNAL--REVENUE--CODE--IS--LIABLE--FOR--THE--TAX~~