

GROSS INCOME OF AN INDIVIDUAL TO DETERMINE MARYLAND ADJUSTED GROSS INCOME.

(B) DIVIDENDS AND INTEREST FROM ANOTHER STATE OR LOCAL OBLIGATION.

THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES INTEREST OR DIVIDENDS, LESS RELATED EXPENSES, ATTRIBUTABLE TO AN OBLIGATION OR SECURITY OF:

(1) ANOTHER STATE; OR

(2) A POLITICAL SUBDIVISION OR AUTHORITY OF ANOTHER STATE.

(C) FEDERAL TAX EXEMPT INCOME.

(1) IF EXEMPTED BY FEDERAL LAW OR BY TREATY FROM FEDERAL BUT NOT STATE TAX ON INCOME, THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES WAGES.

(2) IF EXEMPTED BY FEDERAL LAW OR BY TREATY FROM FEDERAL BUT NOT STATE TAX ON INCOME, THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES INTEREST OR DIVIDENDS ATTRIBUTABLE TO AN OBLIGATION OF:

(I) THE UNITED STATES OR A FOREIGN GOVERNMENT;  
OR

(II) AN AUTHORITY, COMMISSION, INSTRUMENTALITY, POSSESSION, OR TERRITORY OF THE UNITED STATES OR OF A FOREIGN GOVERNMENT.

(D) LUMP SUM DISTRIBUTIONS.

(1) IN THIS SUBSECTION, "INTERNAL REVENUE CODE" MEANS THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH 1985.

(2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES FROM A LUMP SUM DISTRIBUTION CLAIMED AS A DEDUCTION UNDER § 402(E)(3) OF THE INTERNAL REVENUE CODE AND REDUCED BY THE MINIMUM DISTRIBUTION ALLOWANCE UNDER § 402(E)(1)(D) OF THE INTERNAL REVENUE CODE:

(I) THE ORDINARY INCOME PORTION AS DEFINED UNDER § 402(E)(4)(E) OF THE INTERNAL REVENUE CODE; AND

(II) 40% OF THE CAPITAL GAINS PORTION, AS DEFINED IN § 402(A)(2) OF THE INTERNAL REVENUE CODE, TO THE EXTENT THAT THE PORTION IS TREATED AS ORDINARY INCOME.

(E) OIL PERCENTAGE DEPLETION ALLOWANCE.

THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE OIL PERCENTAGE DEPLETION ALLOWANCE CLAIMED UNDER § 613 OR § 613A OF THE INTERNAL REVENUE CODE.