

(F) TAX PREFERENCE ITEMS.

THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES 50% OF THE SUM OF TAX PREFERENCE ITEMS UNDER § 10-222 OF THIS SUBTITLE.

REVISOR'S NOTE: Subsections (a) through (c), (d)(2), (e), and (f) of this section are new language derived without substantive change from former Art. 81, § 280(b)(1), (2), and (4) through (6).

Subsection (d)(1) of this section is new language added to preserve that addback. The Tax - General Article Review Committee notes, for the consideration of the General Assembly, that the referenced provisions of the 1954 Internal Revenue Code have been either substantially modified or repealed by the Tax Reform Act of 1986. As the Committee is unsure of whether the General Assembly wishes to continue this addback, it has been preserved, for further consideration.

The introductory language of subsection (a) of this section, "[t]o the extent excluded from federal adjusted gross income", is added to clarify that only those amounts excluded from computations for federal income tax purposes are to be added under this section.

In subsection (a) of this section, the phrase "to determine Maryland adjusted gross income" is added to state expressly that which only was implied in the former law -- i.e., the purpose for the modification.

In subsection (b) of this section, the words "another state" are substituted for former words "any state ... (other than this State and its political subdivisions and authorities)", for brevity.

In subsection (c)(1) of this section, the former word "[s]alaries" is deleted as included in the defined term "wages".

In subsections (d)(2) and (e) of this section, the word "claimed" is substituted for the former words "allowable" and "claimed and allowed", to avoid the erroneous inference that both criteria must be met or that the Internal Revenue Service must, in fact, allow the amount on a federal return before the required adjustments may be made in computing Maryland taxable income for the taxable year. In practice, a modification must be made for State income tax purposes if the deduction is claimed on the federal income tax return for the taxable year.