

(b) 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) (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) (1) In this subsection, "lump-sum distribution", "minimum distribution allowance", and "total taxable amount" have the meanings stated in § 402(e) of the Internal Revenue Code.

(2) The addition under subsection (a) of this section includes the amount by which the total taxable amount of a lump-sum distribution exceeds the sum of:

(i) 60% of the capital gains portion of the total taxable amount; and

(ii) the minimum distribution allowance.

(3) For purposes of this subsection, the capital gains portion of the total taxable amount is determined by multiplying the total taxable amount by a fraction:

(i) the numerator of which is the number of calendar years of active participation by the employee in the plan before January 1, 1974; and

(ii) the denominator of which is the number of calendar years of active participation by the employee in the plan.

(e) The addition under subsection (a) of this section includes the oil percentage depletion allowance claimed under § 613 or § 613A of the Internal Revenue Code.