

(3) a payment of winnings derived from wagering in the State if the payment is subject to withholding under § 3402 of the Internal Revenue Code; AND

(4) A PAYMENT OF A DEATH BENEFIT BY THE BOARD OF TRUSTEES OF THE MARYLAND STATE RETIREMENT AND PENSION SYSTEMS.

10-906.

(a) Except as provided in § 10-907 of this subtitle, each employer or payor shall:

(1) withhold the income tax required to be withheld under § 10-908 of this subtitle; and

(2) pay to the Comptroller the income tax withheld for a period with the withholding return that covers the period.

10-907.

(C) INCOME TAX IS NOT REQUIRED TO BE WITHHELD ON THAT PORTION OF A DEATH BENEFIT TO BE EXCLUDED FROM FEDERAL ADJUSTED GROSS INCOME, INCLUDING AMOUNTS TO BE TRANSFERRED BY THE BENEFICIARY OR THE BOARD OF TRUSTEES OF THE MARYLAND STATE RETIREMENT AND PENSION SYSTEMS TO AN ELIGIBLE RETIREMENT PLAN AS DEFINED IN § 402(C)(8)(B) OF THE INTERNAL REVENUE CODE IN A NONTAXABLE ROLLOVER. THE STATE RETIREMENT AGENCY IS AUTHORIZED TO OBTAIN SUCH REPRESENTATION AS IT DEEMS NECESSARY TO DETERMINE IF THE BENEFICIARY WILL MAKE A NONTAXABLE ROLLOVER.

10-908.

(E) THE BOARD OF TRUSTEES OF THE MARYLAND STATE RETIREMENT AND PENSION SYSTEMS SHALL WITHHOLD FROM A PAYMENT OF A DEATH BENEFIT:

(1) IF THE PAYEE IS A RESIDENT, ~~7.5% OF THE PAYMENT; AND~~ THE SUM OF:

(I) 5% OF THE PAYMENT; AND

(II) THE COUNTY INCOME TAX RATE APPLIED TO 5% OF THE PAYMENT; OR

(2) IF THE PAYEE IS A NONRESIDENT, 5% OF THE PAYMENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1993.

Approved May 11, 1993.