

**Article - Tax - General**

10-905.

(c) "Payment subject to withholding" means:

(1) an annuity or sick pay payment described in § 3402(o) of the Internal Revenue Code;

(2) income that is subject to the income tax and is distributed by a fiduciary to a nonresident alien;

(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.

10-908.

(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,] TO A RESIDENT PAYEE the sum of:

[(i)] (1) 5% of the payment; and

[(ii)](2) 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, 1994.

Approved May 2, 1994.

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**CHAPTER 138**

**(Senate Bill 117)**

AN ACT concerning

**Income Tax - Filing Status - Separate Returns**

FOR the purpose of allowing a husband and wife who file a joint federal income tax return to file separate State income tax returns under certain conditions; and generally relating to income tax.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-807