

under the income tax for certain individuals for certain retirement income.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-209

Annotated Code of Maryland

(1997 Replacement Volume and 1999 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

10-209.

(A) IN THIS SECTION:

(1) "EMPLOYEE RETIREMENT SYSTEM" MEANS A PLAN:

(I) ESTABLISHED AND MAINTAINED BY AN EMPLOYER FOR THE BENEFIT OF ITS EMPLOYEES; AND

(II) QUALIFIED UNDER § 401(A), §403, OR § 457(B) OF THE INTERNAL REVENUE CODE; AND

(2) "EMPLOYEE RETIREMENT SYSTEM" DOES NOT INCLUDE:

(I) AN INDIVIDUAL RETIREMENT ACCOUNT OR ANNUITY UNDER § 408 OF THE INTERNAL REVENUE CODE;

(II) A ROTH INDIVIDUAL RETIREMENT ACCOUNT UNDER § 408(A) OF THE INTERNAL REVENUE CODE;

(III) A ROLLOVER INDIVIDUAL RETIREMENT ACCOUNT;

(IV) A SIMPLIFIED EMPLOYEE PENSION UNDER INTERNAL REVENUE CODE § 408(K); OR

(V) AN INELIGIBLE DEFERRED COMPENSATION PLAN UNDER § 457(F) OF THE INTERNAL REVENUE CODE.

~~(a)~~ (B) To determine Maryland adjusted gross income, if, on the last day of the taxable year, a resident is at least 65 years old or is totally disabled or the resident's spouse is totally disabled, an amount is subtracted from federal adjusted gross income equal to the lesser of:

(1) the cumulative or total annuity, pension, or endowment income from an employee retirement system ~~OR INCOME FROM A QUALIFIED RETIREMENT PLAN, AS DEFINED IN § 4074(C) OF THE INTERNAL REVENUE CODE~~, included in federal adjusted gross income; or