

(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 § 408A 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.~~

(b) ~~[To] SUBJECT TO SUBSECTION (D) OF THIS SECTION, 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 included in federal adjusted gross income; or~~
- (2) ~~the maximum annual benefit under the Social Security Act computed under subsection (c) of this section, less any payment received as old age, survivors, or disability benefits under the Social Security Act, the Railroad Retirement Act, or both.~~

(c) ~~For purposes of subsection (b)(2) of this section, the Comptroller:~~

- (1) ~~shall determine the maximum annual benefit under the Social Security Act allowed for an individual who retired at age 65 for the prior calendar year; and~~
- (2) ~~may allow the subtraction to the nearest \$100.~~

~~(D) RETIREMENT INCOME THAT IS INCLUDED IN THE SUBTRACTION UNDER § 10-207(Q) OF THIS SUBTITLE MAY NOT BE TAKEN INTO ACCOUNT FOR PURPOSES OF THE SUBTRACTION UNDER THIS SECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2003 and shall be applicable to all taxable years after December 31, 2002.~~

(a) There is a Task Force to Study the Financial Impact of Retired Military Service Personnel on the Economy of the State.