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To: Members of The Senate Budget and Taxation Committee
From: Melinda Dunmire, Chair, Legislative Committee, Tax Council
Date: February 3, 2020
Subject: **SB 278** – Tax General – Retirement Tax Reduction Act of 2020
Position: **Support with Amendments**

The Maryland State Bar Association (MSBA) supports with amendments **SB 278 – Tax General – Retirement Tax Reduction Act of 2020 amended** as set out below.

Generally, the bill proposes an additional income subtraction for an individual under § 10-207(a)(HH)(1) who has federal adjusted gross income of \$100,000.00 or less, if the individual is at least 65 years old and is not employed full time.

Please provided clarification on the following:

1. What is considered full-time work? Is 35 hours or 40 hours full-time work? Is it based on total number of hours worked in a week or year?
2. Are individuals eligible for the subtraction if they are self-employed? There are many persons in the “gig economy.”
3. Is the determination made with regard to their employment status only on the last day of the year? For example, if the individual was employed full-time from January 1 – December 30th, but not as of December 31st, does the individual qualify for the subtraction?

For the reason stated above, the MSBA **supports SB 278 if the bill is amended** to address the ambiguities identified above.

If you have questions about the position of the Tax Council Legislative Committee, please feel free to address them to me at 443-621-3515 or at melinda.dunmire@gmail.com.

Should you have other questions, please contact The MSBA’s Legislative Office at (410)-269-6464 / (410)-685-7878 ext: 3066 or at Richard@MSBA.org and Parker@MSBA.org