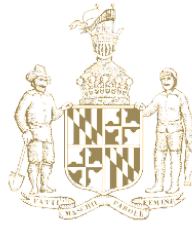


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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 195 - Income Tax - Subtraction Modification - Retirement Income
Position: FAVORABLE

Good afternoon Madam Chair, Madam Vice Chair, and distinguished members of the Ways and Means committee. My name is Delegate Brian Crosby, and I am here to present HB 195 entitled Income Tax - Subtraction Modification - Retirement Income

This bill allows certain seniors, permanently disabled Marylanders, and spouses of permanently disabled Marylanders, to lower their taxable income. Specifically, the bill adds additional types of retirement income to be accounted for in a specific subtraction modifier on the Maryland Form 502R. As the law currently stands, Marylanders who are 65 or older, totally and permanently disabled, or have a spouse that is totally and permanently disabled may qualify for a maximum pension exclusion of \$34,300. However, this subtraction modification only applies to pension, annuity, or endowment from an “employee retirement system,” meaning it must be established and maintained by an employer and for an employee. Therefore, Marylanders cannot include other types of retirement accounts in this subtraction modification.

This bill would allow individual retirement accounts, rollover individual retirement accounts, simplified employee pensions, savings incentive match plans, and Roth individual retirement accounts to be included on the subtraction modifier on Maryland form 502R.

Thank you for your consideration and I respectfully request the committee issue a favorable report on HB 195.