

Article 81 - Revenue and Taxes
Section 280(b) and (c)
Annotated Code of Maryland
{1975 Replacement Volume and 1975 Supplement}

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 280(b) and (c) of Article 81 - Revenue and Taxes, of the Annotated Code of Maryland (1975 Replacement Volume and 1975 Supplement) be and they are hereby repealed and reenacted, with amendments, to read as follows:

Article 81 - Revenue and Taxes

280.

(b) There shall be added to federal adjusted gross income: (1) interest or dividends, (less related expenses), on obligations or securities of any state or of a political subdivision or authority thereof (other than this State and its political subdivisions and authorities); (2) salaries and wages and interest or dividends on obligations of any authority, commission, instrumentality, territory or possession of the United States or of any foreign government, which by the laws or treaties of the United States are exempt from federal income tax but not from State income taxes; (3) dividends received by individuals excluded from federal adjusted gross income pursuant to § 116 of the Internal Revenue Code; [(4) distributions of corporate prior years' earnings not previously taxed in Maryland to individuals and current year losses of corporations claimed for the taxable year by individuals, resulting from an election of a small business corporation, as defined by § 1371 of the Internal Revenue Code as amended from time to time, to be taxed in accordance with the provisions of subchapter "S" of the Internal Revenue Code; and (5)] AND (4) for all taxable years beginning after December 31, 1974, 50 percent of the sum of the items of tax preference as determined under the provisions of § 280B of this subtitle.

(c) There shall be subtracted from federal adjusted gross income: (1) interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States and any other income to the extent includable in gross income for federal income tax purposes, but exempt from State income taxes under the laws of the United States; (2) [to the extent included, undistributed corporate income attributed to individuals from small business corporations, as defined by Section 1371 of the Internal Revenue Code, as amended from time to time, which elected to be taxed in accordance with the provisions of subchapter "S" of the Internal Revenue Code; (3)] payments received by policemen and firemen from pension systems for injuries