

HOUSE BILL 473

Q3
HB 864/21 – W&M

2lr2262

By: **Delegate Charles**
Introduced and read first time: January 21, 2022
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement Income**

3 FOR the purpose of allowing a subtraction under the Maryland income tax for a certain
4 amount of military retirement income received by an individual during the taxable
5 year if the individual has received a certain determination of a service-connected
6 disability; and generally relating to a subtraction modification under the Maryland
7 income tax for military retirement income.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2016 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(q)
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

20 10–207.

22 (a) To the extent included in federal adjusted gross income, the amounts under
23 this section are subtracted from the federal adjusted gross income of a resident to determine
24 Maryland adjusted gross income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (q) (1) (i) In this subsection the following words have the meanings
2 indicated.

3 (ii) "Military retirement income" means retirement income,
4 including death benefits, received as a result of military service.

5 (iii) "Military service" means:

6 1. induction into the armed forces of the United States for
7 training and service under the Selective Training and Service Act of 1940 or a subsequent
8 act of a similar nature;

9 2. membership in a reserve component of the armed forces of
10 the United States;

11 3. membership in an active component of the armed forces of
12 the United States;

13 4. membership in the Maryland National Guard; or

14 5. active duty with the commissioned corps of the Public
15 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and
16 Geodetic Survey.

17 (2) The subtraction under subsection (a) of this section includes:

18 (i) 1. if, on the last day of the taxable year, the individual is
19 under the age of 55 years, the first \$5,000 of military retirement income received by an
20 individual during the taxable year; and

21 [(ii)] 2. if, on the last day of the taxable year, the individual is at
22 least 55 years old, the first \$15,000 of military retirement income received by an individual
23 during the taxable year; OR

24 (II) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE
25 INDIVIDUAL HAS BEEN DECLARED BY THE U.S. DEPARTMENT OF VETERANS
26 AFFAIRS TO HAVE A PERMANENT 100% SERVICE-CONNECTED DISABILITY, THE
27 FIRST \$20,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL
28 DURING THE TAXABLE YEAR.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.