

HOUSE BILL 550

Q3

7lr2075

By: **Delegates Aumann, Afzali, Beitzel, Cassilly, Cluster, Folden, Hornberger, Jacobs, Krebs, Malone, McComas, Metzgar, Miele, W. Miller, Saab, and Szeliga**

Introduced and read first time: January 30, 2017

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 altering a certain limitation on a subtraction modification under the
4 Maryland income tax for certain military retirement income; providing for the
5 application of this Act; and generally relating to a subtraction modification for
6 military retirement income.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – General

9 Section 10–207(a)

10 Annotated Code of Maryland

11 (2016 Replacement Volume)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – General

14 Section 10–207(q)

15 Annotated Code of Maryland

16 (2016 Replacement Volume)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Tax – General**

20 10–207.

21 (a) To the extent included in federal adjusted gross income, the amounts under
22 this section are subtracted from the federal adjusted gross income of a resident to determine
23 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 received
4 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) if, on the last day of the taxable year, the individual is under the
19 age of 65 years, the first \$5,000 of military retirement income received by an individual
20 during the taxable year; [and]

21 (ii) if, on the last day of the taxable year, the individual is at least 65
22 years old, the first \$10,000 of military retirement income received by an individual during
23 the taxable year; AND

24 **(III) ANY MILITARY RETIREMENT INCOME RECEIVED BY AN**
25 **INDIVIDUAL DURING THE TAXABLE YEAR IF THE INDIVIDUAL SERVED AT LEAST 20**
26 **YEARS OF MILITARY SERVICE.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.