

SENATE BILL 161

Q3

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CF 9lr0185

By: **The President (By Request – Administration) and Senators Bailey, Carozza, Cassilly, Eckardt, Edwards, Gallion, Hough, Jennings, Ready, Salling, Serafini, Simonaire, and West**

Introduced and read first time: January 21, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and**
3 **Emergency Medical Services Members**

4 FOR the purpose of increasing, for certain taxable years, the amount of a subtraction
5 modification under the Maryland income tax for certain qualifying volunteer fire,
6 rescue, and emergency medical services members; and generally relating to a
7 subtraction modification under the Maryland income tax for qualifying volunteer
8 fire, rescue, and emergency medical services members.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–208(a)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2018 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–208(i–1)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2018 Supplement)

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

21 **Article – Tax – General**

22 10–208.

23 (a) In addition to the modification under § 10–207 of this subtitle, the amounts

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 under this section are subtracted from the federal adjusted gross income of a resident to
2 determine Maryland adjusted gross income.

3 (i-1) (1) The subtraction under subsection (a) of this section includes an amount
4 equal to the amount specified in paragraph (3) of this subsection if an individual is a
5 qualifying volunteer fire, rescue, or emergency medical services member for the taxable
6 year, as determined under paragraph (2) of this subsection.

7 (2) An individual is a qualifying volunteer fire, rescue, or emergency
8 medical services member for the taxable year eligible for the subtraction modification under
9 this subsection if the individual:

10 (i) is an active member of:

11 1. a bona fide Maryland fire, rescue, or emergency medical
12 services organization;

13 2. an auxiliary organization of a bona fide Maryland fire,
14 rescue, or emergency medical services organization;

15 3. the United States Coast Guard Auxiliary;

16 4. the Maryland Defense Force; or

17 5. the Maryland Civil Air Patrol;

18 (ii) serves the organization in a volunteer capacity without
19 compensation, except nominal expenses or meals;

20 (iii) 1. qualifies for active status during the taxable year under:

21 A. a volunteer fire, rescue, or emergency medical services
22 personnel or auxiliary length of service award program operated by a county or municipal
23 corporation of the State, if the length of service award program requires for active status
24 qualification a minimum of 50 points per year and that points be earned in at least two
25 different categories; or

26 B. a point system established by a county or municipal
27 corporation that does not operate a volunteer fire, rescue, or emergency medical services
28 personnel or auxiliary length of service award program or by the United States Coast Guard
29 Auxiliary, the Maryland Defense Force, or the Maryland Civil Air Patrol, to identify active
30 members of a volunteer fire, rescue, or emergency medical services organization or
31 auxiliary organization, if the point system requires for active status qualification a
32 minimum of 50 points per year and that points be earned in at least two different categories;

33 2. has maintained active status for at least 25 years under a
34 volunteer fire, rescue, or emergency medical services personnel or auxiliary length of

1 service award program or a point system established in lieu of a length of service award
2 program;

3 3. is a member of the National Guard or other reserve
4 component of the United States armed forces who has been ordered into active military
5 service and who serves on active duty in the armed forces of the United States during the
6 taxable year; or

7 4. is a civilian or a member of the Merchant Marine on
8 assignment in support of the armed forces of the United States during the taxable year in
9 an area designated as a combat zone by executive order of the President; and

10 (iv) will have been an active member of a bona fide Maryland fire,
11 rescue, or emergency medical services organization, an auxiliary organization of a bona fide
12 Maryland fire, rescue, or emergency medical services organization, or the United States
13 Coast Guard Auxiliary, the Maryland Defense Force, or the Maryland Civil Air Patrol for
14 at least 36 months during the last 10 calendar years by December 31 of the taxable year.

15 (3) The amount of the subtraction under paragraph (1) of this subsection is
16 equal to:

17 (i) \$4,750 for a taxable year beginning after December 31, 2017, but
18 before January 1, 2019;

19 (ii) \$5,000 for a taxable year beginning after December 31, 2018, but
20 before January 1, 2020;

21 (iii) \$6,000 for a taxable year beginning after December 31, 2019, but
22 before January 1, 2021;

23 (iv) ~~[\$6,500]~~ **\$8,000** for a taxable year beginning after December 31,
24 2020, but before January 1, 2022; and

25 (v) ~~[\$7,000]~~ **\$10,000** for a taxable year beginning after December
26 31, 2021.

27 (4) (i) Each fire, rescue, or emergency medical services organization or
28 auxiliary organization shall:

29 1. maintain a record of the points earned by each individual
30 during each calendar year;

31 2. provide each member a report identifying the number of
32 points earned in each category by February 15 of the following year; and

33 3. provide a report that includes the names, Social Security
34 numbers, and points earned by those members qualifying for the subtraction modification

1 under this subsection to the Maryland State Firemen's Association by May 1 of the
2 following year.

3 (ii) An individual may not qualify for the subtraction under this
4 subsection based on membership in the United States Coast Guard Auxiliary, the Maryland
5 Defense Force, or the Maryland Civil Air Patrol unless the United States Coast Guard
6 Auxiliary, the Maryland Defense Force, or the Maryland Civil Air Patrol:

7 1. maintains a record of the points earned by each individual
8 during each calendar year;

9 2. provides each member a report identifying the number of
10 points earned in each category by February 15 of the following year; and

11 3. provides a report that includes the names, Social Security
12 numbers, and points earned by those members qualifying for the subtraction modification
13 under this subsection to the Comptroller on or before October 1 of each year.

14 (5) To qualify for the subtraction modification under this subsection, an
15 individual shall attach to the individual's income tax return a copy of the report provided
16 by the organization under paragraph (4) of this subsection.

17 (6) On or before October 1 of each year, the Maryland State Firemen's
18 Association shall submit to the Department of Public Safety and Correctional Services and
19 the Office of the Comptroller a report stating the participation in the point system by the
20 various local subdivisions with the names and Social Security numbers of individuals who
21 qualified for the subtraction modification under this subsection for the preceding taxable
22 year.

23 (7) (i) A person may not knowingly make or cause any false statement
24 or report to be made in any application or in any document required under this subsection.

25 (ii) Any person who violates or attempts to violate any provision of
26 subparagraph (i) of this paragraph shall be subject to a fine of \$1,000.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2019.