

SENATE BILL 192

Q3

6lr0696

By: **Senators Waugh and Peters**

Introduced and read first time: January 20, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering a subtraction modification under the Maryland income tax for
4 certain military compensation to repeal a requirement that the compensation be
5 attributable to military service of the individual outside the United States; repealing
6 a certain limitation on the amount of the subtraction modification; providing for the
7 application of this Act; and generally relating to the taxation of certain military
8 compensation.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2015 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–207(p)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2015 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 10–207.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (p) [(1)] The subtraction under subsection (a) of this section includes the [first
2 \$15,000 of] military pay that is[:

3 (i)] received by an individual who is in active service of any branch
4 of the armed forces[; and

5 (ii) attributable to military service of the individual outside the
6 United States].

7 [(2)] The amount of the subtraction under paragraph (1) of this subsection:

8 (i) is reduced dollar for dollar in the amount by which military pay
9 received by the individual exceeds \$15,000; and

10 (ii) is reduced to zero if the amount of military pay received by the
11 individual exceeds \$30,000.]

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.