

HOUSE BILL 549

Q3

8lr2715

By: **Delegates Love, Aumann, Barkley, Barnes, Bates, Beidle, Beitzel, Bohanan, Boteler, Bromwell, Cane, V. Clagett, Costa, DeBoy, Donoghue, Dwyer, Eckardt, Elliott, Elmore, Feldman, Frank, Gaines, George, Hammen, Harrison, Haynes, Howard, Hucker, Impallaria, Jameson, Jennings, Kach, Kelly, King, Kipke, Kirk, Krebs, Krysiak, Kullen, Lafferty, Levy, Manno, Mathias, McComas, McDonough, McHale, McKee, Miller, Minnick, Mizeur, Montgomery, Myers, Nathan-Pulliam, Olszewski, Pena-Melnyk, Ramirez, Riley, Rudolph, Schuh, Shank, Shewell, Smigiel, Sophocleus, Sossi, Stifler, Stocksdale, Taylor, V. Turner, Valderrama, Vaughn, Walkup, Weir, and Wood**

Introduced and read first time: January 31, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of removing a certain limitation on a subtraction modification under
4 the Maryland income tax for certain military retirement income; providing for
5 the application of this Act; and generally relating to a subtraction modification
6 for 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 (2004 Replacement Volume and 2007 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Tax – General
14 Section 10–207(q)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2007 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article - Tax - General**

2 10-207.

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

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

8 (ii) "Military service" means:

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

12 2. membership in a reserve component of the armed
13 forces of the United States;

14 3. membership in an active component of the armed
15 forces of the United States;

16 4. membership in the Maryland National Guard; or

17 5. active duty with the commissioned corps of the Public
18 Health Service, the National Oceanic and Atmospheric Administration, or the Coast
19 and Geodetic Survey.

20 (iii) "Military retirement income" means retirement income
21 received as a result of military service.

22 (2) The subtraction under subsection (a) of this section includes [the
23 first \$5,000 of] ANY military retirement income received by an individual during the
24 taxable year.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
27 2007.