

HOUSE BILL 195

Q3, J1
HB 532/12 – W&M

3lr1259

By: **Delegates Cardin, Jameson, Lafferty, Morhaim, Reznik, Stein, Stukes, and Walker**

Introduced and read first time: January 21, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Health Care Pensions –**
3 **Health Care Workforce Shortage**

4 FOR the purpose of providing a subtraction modification under the Maryland income
5 tax under certain circumstances for certain military retirement income of an
6 individual whose federal adjusted gross income does not exceed a certain
7 amount; requiring the Comptroller, in consultation with the Department of
8 Health and Mental Hygiene and the Governor’s Workforce Investment Board, to
9 adopt regulations prescribing standards for the subtraction modification;
10 providing for the application of this Act; and generally relating to a subtraction
11 modification for certain military retirement income.

12 BY repealing and reenacting, without amendments,
13 Article – Tax – General
14 Section 10–207(a)
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2012 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – General
19 Section 10–207(q)
20 Annotated Code of Maryland
21 (2010 Replacement Volume and 2012 Supplement)

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

24 **Article – Tax – General**

25 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

6 (ii) "Military service" means:

- 7 1. induction into the armed forces of the United States
8 for training and service under the Selective Training and Service Act of 1940 or a
9 subsequent act of a similar nature;
- 10 2. membership in a reserve component of the armed
11 forces of the United States;
- 12 3. membership in an active component of the armed
13 forces of the United States;
- 14 4. membership in the Maryland National Guard; or
- 15 5. active duty with the commissioned corps of the Public
16 Health Service, the National Oceanic and Atmospheric Administration, or the Coast
17 and Geodetic Survey.

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

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

23 **(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS**
24 **PARAGRAPH, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
25 **INCLUDES 50% OF MILITARY RETIREMENT INCOME RECEIVED BY AN**
26 **INDIVIDUAL DURING THE TAXABLE YEAR, IF THE INDIVIDUAL:**

27 **1. COMMITS TO LIVING AND WORKING IN THE STATE**
28 **FOR A PERIOD REQUIRED BY THE COMPTROLLER; AND**

29 **2. WORKS IN A HEALTH CARE FIELD IDENTIFIED AS**
30 **HAVING A HEALTH CARE WORKFORCE SHORTAGE BY THE COMPTROLLER, IN**
31 **CONSULTATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE**
32 **AND THE GOVERNOR'S WORKFORCE INVESTMENT BOARD.**

1 **(II) THE COMPTROLLER, IN CONSULTATION WITH THE**
2 **DEPARTMENT OF HEALTH AND MENTAL HYGIENE AND THE GOVERNOR'S**
3 **WORKFORCE INVESTMENT BOARD, SHALL ADOPT REGULATIONS TO PRESCRIBE**
4 **STANDARDS FOR THE SUBTRACTION UNDER THIS PARAGRAPH.**

5 **(III) IF AN INDIVIDUAL HAS A FEDERAL ADJUSTED GROSS**
6 **INCOME FOR THE TAXABLE YEAR GREATER THAN \$65,000, THE INDIVIDUAL IS**
7 **NOT ALLOWED THE SUBTRACTION UNDER THIS PARAGRAPH.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
10 2013.