

# HOUSE BILL 438

Q3

4lr1459

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By: **Delegates Summers, Braveboy, and Stukes**

Introduced and read first time: January 27, 2014

Assigned to: Ways and Means

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## A BILL ENTITLED

AN ACT concerning

### **Income Tax – Subtraction Modification – Overtime Compensation Earned by Certain Individuals**

FOR the purpose of providing a subtraction modification under the Maryland income tax earned by certain individuals for a certain amount of income received as overtime compensation required by the federal Fair Labor Standards Act of 1938; requiring the Comptroller to adopt certain regulations; providing for the application and termination of this Act; and generally relating to a subtraction modification under the Maryland income tax for certain income received as overtime compensation.

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–207(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

BY adding to  
Article – Tax – General  
Section 10–207(bb)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2013 Supplement)

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

### **Article – Tax – General**

10–207.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

**(BB) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE FIRST \$5,000 OF INCOME:**

**(I) EARNED BY A CAREER FIRE, LAW ENFORCEMENT, EMERGENCY MEDICAL SERVICES, PARAMEDIC, OR RESCUE EMPLOYEE OR VETERAN; AND**

**(II) RECEIVED AS OVERTIME COMPENSATION REQUIRED BY THE FEDERAL FAIR LABOR STANDARDS ACT OF 1938.**

**(2) THE COMPTROLLER SHALL ADOPT REGULATIONS THAT ESTABLISH THE REQUIREMENTS FOR AND DOCUMENTATION NECESSARY TO ADMINISTER THE SUBTRACTION AUTHORIZED UNDER THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013, but before January 1, 2024. It shall remain effective for a period of 10 years and, at the end of June 30, 2024, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.