

## Chapter 155

**(House Bill 822)**

AN ACT concerning

**Income Tax – Subtraction Modification – Police Auxiliaries and Reserve  
Volunteers**

FOR the purpose of altering eligibility for and the amount of a subtraction modification under the State income tax for certain qualifying police auxiliaries and reserve volunteers; and generally relating to a subtraction modification under the State income tax for police auxiliaries and reserve volunteers.

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

BY repealing and reenacting, with amendments,  
 Article – Tax – General  
 Section 10–208(l)  
 Annotated Code of Maryland  
 (2016 Replacement Volume)

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

**Article – Tax – General**

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(l) (1) The subtraction under subsection (a) of this section includes an amount equal to **[\$3,500] THE AMOUNT SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION** if an individual is a qualifying police auxiliary or reserve volunteer for the taxable year, as determined under paragraph (2) of this subsection.

(2) An individual is a qualifying police auxiliary or reserve volunteer for the taxable year eligible for the subtraction modification under this subsection if the individual:

(i) is an active member of a bona fide Maryland police agency;

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

(iii) 1. qualifies for active status during the taxable year under a police auxiliary or reserve volunteer program approved by the Police Training Commission in conjunction with the Maryland Association of Counties and the Maryland Municipal League, that includes uniform systems for qualification and record keeping, if the program is incorporated into the police agency's rules and regulations;

2. has maintained active status for at least 25 years under the police auxiliary or reserve volunteer program;

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

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

(iv) will have been an active member of a bona fide police agency for at least **[72] 36** months during the last 10 calendar years by December 31 of the taxable year.

**(3) THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL TO:**

**(I) \$4,500 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2016, BUT BEFORE JANUARY 1, 2018;**

**(II) \$4,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2017, BUT BEFORE JANUARY 1, 2019; AND**

**(III) \$5,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2018.**

**[(3)] (4)** Each police agency shall:

(i) maintain a record of the activities of each police auxiliary or reserve volunteer during the calendar year;

(ii) provide each member a report by February 15 of the following year indicating that the member qualified during the preceding calendar year; and

(iii) provide a report that includes the names, Social Security numbers, and a certification that the individual qualified for the subtraction modification under this section.

**[(4)] (5)** To qualify for the subtraction modification under this subsection, an individual shall attach to the individual's income tax return a copy of the report provided by the police agency under paragraph **[(3)] (4)** of this subsection.

**[(5)] (6)** On or before October 1 of each year, the police agency shall submit to the Department of Public Safety and Correctional Services and the Office of the Comptroller a report listing the names and Social Security numbers of individuals who qualified for the subtraction modification under this subsection for the preceding taxable year.

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

**Approved by the Governor, April 18, 2017.**