

HOUSE BILL 327

Q3

8lr1136
CF 8lr3569

By: ~~Delegates Lisanti and P. Young~~ Delegates Lisanti, P. Young, Kaiser, Afzali, Ali, D. Barnes, Buckel, Ebersole, Hornberger, C. Howard, Long, Luedtke, Mosby, Patterson, Reilly, Rose, Shoemaker, Simonaire, Tarlau, Turner, Walker, and Wilkins

Introduced and read first time: January 22, 2018

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2018

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of altering for certain taxable years a certain limitation on a subtraction
4 modification under the Maryland income tax for certain military retirement income;
5 providing for a delayed effective date; and generally relating to a subtraction
6 modification 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 (2016 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Tax – General
14 Section 10–207(q)
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2017 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Tax – General

2 10–207.

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

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

8 (ii) “Military retirement income” means retirement income received
9 as a result of military service.

10 (iii) “Military service” means:

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

14 2. membership in a reserve component of the armed forces of
15 the United States;

16 3. membership in an active component of the armed forces of
17 the United States;

18 4. membership in the Maryland National Guard; or

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

22 (2) The subtraction under subsection (a) of this section includes:

23 [(i) if, on the last day of the taxable year, the individual is under the
24 age of 65 years, the first \$5,000 of military retirement income received by an individual
25 during the taxable year; and

26 (ii) if, on the last day of the taxable year, the individual is at least 65
27 years old, the first \$10,000 of military retirement income received by an individual during
28 the taxable year.]

29 ~~(1) THE GREATER OF \$10,000 OR 50% OF THE MILITARY~~
30 ~~RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR~~
31 ~~BEGINNING AFTER DECEMBER 31, 2018, BUT BEFORE JANUARY 1, 2020;~~

1 ~~(H) THE GREATER OF \$10,000 OR 75% OF THE MILITARY~~
2 ~~RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR~~
3 ~~BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2021; AND~~

4 ~~(HH) ALL MILITARY RETIREMENT INCOME RECEIVED BY AN~~
5 ~~INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2020.~~

6 (I) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE
7 INDIVIDUAL IS UNDER THE AGE OF 65 YEARS:

8 1. THE FIRST \$7,500 OF MILITARY RETIREMENT INCOME
9 RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER
10 DECEMBER 31, 2018, BUT BEFORE JANUARY 1, 2020;

11 2. THE FIRST \$15,000 OF MILITARY RETIREMENT
12 INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER
13 DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2021;

14 3. THE FIRST \$20,000 OF MILITARY RETIREMENT
15 INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER
16 DECEMBER 31, 2020, BUT BEFORE JANUARY 1, 2022; AND

17 4. ALL MILITARY RETIREMENT INCOME RECEIVED BY AN
18 INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2021; AND

19 (II) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE
20 INDIVIDUAL IS AT LEAST 65 YEARS OLD:

21 1. THE FIRST \$12,500 OF MILITARY RETIREMENT
22 INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER
23 DECEMBER 31, 2018, BUT BEFORE JANUARY 1, 2020;

24 2. THE FIRST \$20,000 OF MILITARY RETIREMENT
25 INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER
26 DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2021;

27 3. THE FIRST \$25,000 OF MILITARY RETIREMENT
28 INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER
29 DECEMBER 31, 2020, BUT BEFORE JANUARY 1, 2022; AND

30 4. ALL MILITARY RETIREMENT INCOME RECEIVED BY AN
31 INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2021.

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1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.