

HOUSE BILL 362

Q3

8lr0140
CF SB 312

By: **The Speaker (By Request – Administration) and Delegates Adams, Afzali, Anderton, Arentz, Aumann, Beitzel, Buckel, Carozza, Cassilly, Ciliberti, Clark, Cluster, Corderman, Fisher, Flanagan, Folden, Ghrist, Glass, Grammer, Hornberger, S. Howard, Impallaria, Jacobs, Kipke, Kittleman, Krebs, Malone, Mautz, McComas, McConkey, McDonough, McKay, McMillan, Metzgar, Miele, Otto, Parrott, Reilly, Rey, Rose, Saab, Shoemaker, Szeliga, Vogt, West, Wilson, and Wivell**

Introduced and read first time: January 24, 2018

Assigned to: Ways and Means

A BILL ENTITLED

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 and generally relating to a subtraction modification under the State income tax for
6 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:

19 **Article – Tax – General**

20 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 under
2 this section are subtracted from the federal adjusted gross income of a resident to determine
3 Maryland adjusted gross income.

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

6 (ii) "Military retirement income" means retirement income received
7 as a result of military service.

8 (iii) "Military service" means:

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

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

14 3. membership in an active component of the armed forces of
15 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 and
19 Geodetic Survey.

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

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

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

27 **(I) THE FIRST \$15,000 OF THE MILITARY RETIREMENT INCOME**
28 **RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER**
29 **DECEMBER 31, 2017, BUT BEFORE JANUARY 1, 2019;**

30 **(II) 75% OF THE MILITARY RETIREMENT INCOME RECEIVED BY**
31 **AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2018,**
32 **BUT BEFORE JANUARY 1, 2020; AND**

1 **(III) ALL OF THE MILITARY RETIREMENT INCOME RECEIVED BY**
2 **AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2018.