

SENATE BILL 512

Q3

8lr1546

By: **Senators Waugh, Astle, Bates, Cassilly, Currie, Eckardt, Hough, Klausmeier, Manno, Mathias, Peters, Salling, Simonaire, Smith, Young, and Zucker**
Introduced and read first time: January 29, 2018
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering a subtraction modification under the State income tax for
4 certain military compensation; providing for the application of this Act; and
5 generally relating to the taxation of certain military compensation.

6 BY repealing and reenacting, without amendments,

7 Article – Tax – General

8 Section 10–207(a)

9 Annotated Code of Maryland

10 (2016 Replacement Volume and 2017 Supplement)

11 BY repealing and reenacting, with amendments,

12 Article – Tax – General

13 Section 10–207(p)

14 Annotated Code of Maryland

15 (2016 Replacement Volume and 2017 Supplement)

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

18 **Article – Tax – General**

19 10–207.

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

23 (p) (1) The subtraction under subsection (a) of this section includes the first

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 ~~[\$15,000]~~ **\$22,500** of military pay that is:

2 (i) received by an individual who is in active service of any branch
3 of the armed forces; and

4 (ii) attributable to military service of the individual outside the
5 United States.

6 (2) The amount of the subtraction under paragraph (1) of this subsection:

7 (i) is reduced dollar for dollar in the amount by which military pay
8 received by the individual exceeds ~~[\$15,000]~~ **\$22,500**; and

9 (ii) is reduced to zero if the amount of military pay received by the
10 individual exceeds ~~[\$30,000]~~ **\$45,000**.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.