

SENATE BILL 996

Q3

(8lr2160)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senators Peters, Astle, Benson, Cassilly, Currie, DeGrange, Edwards, Feldman, Guzzone, Kagan, Kelley, King, Klausmeier, Madaleno, Manno, Mathias, Middleton, Muse, Norman, Rosapepe, Serafini, Simonaire, Smith, Young, and Zucker** Zucker, Eckardt, and Kasemeyer

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – ~~Military Retirement Income~~**
3 **~~Individuals at Least 65 Years Old Retirement Income~~**
4 **(Hometown Heroes and Veterans Act of 2018)**

5 FOR the purpose of altering a subtraction modification under the State income tax for
6 certain military retirement income for individuals who are at least a certain age;
7 providing a subtraction modification under the Maryland income tax under certain
8 circumstances for a certain amount of retirement income attributable to certain
9 employment as a correctional officer; defining a certain term; providing for the
10 application of this Act; and generally relating to the State income tax on certain
11 retirement income.

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.

Italics indicate opposite chamber / conference committee amendments.



1 BY repealing and reenacting, without amendments,
 2 Article – Tax – General
 3 Section 10–207(a)
 4 Annotated Code of Maryland
 5 (2016 Replacement Volume and 2017 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article – Tax – General
 8 Section 10–207(q) and 10–209
 9 Annotated Code of Maryland
 10 (2016 Replacement Volume and 2017 Supplement)

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

13 **Article – Tax – General**

14 10–207.

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

18 (q) (1) (i) In this subsection the following words have the meanings
 19 indicated.

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

22 (iii) “Military service” means:

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

26 2. membership in a reserve component of the armed forces of
 27 the United States;

28 3. membership in an active component of the armed forces of
 29 the United States;

30 4. membership in the Maryland National Guard; or

31 5. active duty with the commissioned corps of the Public
 32 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and
 33 Geodetic Survey.

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

(i) if, on the last day of the taxable year, the individual is under the age of ~~65~~ **55** years, the first \$5,000 of military retirement income received by an individual during the taxable year; and

(ii) if, on the last day of the taxable year, the individual is at least ~~65~~ **55** years old, the first ~~[\$10,000]~~ **\$15,000** of military retirement income received by an individual during the taxable year.

10-209.

(a) (1) In this section the following words have the meanings indicated.

(2) “CORRECTIONAL OFFICER” MEANS AN INDIVIDUAL WHO:

(I) WAS EMPLOYED IN:

1. A STATE CORRECTIONAL FACILITY, AS DEFINED IN § 1-101 OF THE CORRECTIONAL SERVICES ARTICLE;

2. A LOCAL CORRECTIONAL FACILITY, AS DEFINED IN § 1-101 OF THE CORRECTIONAL SERVICES ARTICLE;

3. A JUVENILE ~~DETENTION~~ FACILITY ~~IN THE STATE~~ INCLUDED IN § 9-226 OF THE HUMAN SERVICES ARTICLE; OR

4. A FACILITY OF THE UNITED STATES THAT IS EQUIVALENT TO A STATE OR LOCAL CORRECTIONAL FACILITY OR A JUVENILE ~~DETENTION~~ FACILITY ~~IN THE STATE~~ INCLUDED IN § 9-226 OF THE HUMAN SERVICES ARTICLE; AND

(II) IS ELIGIBLE TO RECEIVE RETIREMENT INCOME ATTRIBUTABLE TO THE INDIVIDUAL’S EMPLOYMENT UNDER ITEM (I) OF THIS PARAGRAPH.

[(2)] (3) “Emergency services personnel” means emergency medical technicians or paramedics.

[(3)] (4) (i) “Employee retirement system” means a plan:

1. established and maintained by an employer for the benefit of its employees; and

1 (e) In the case of a retired **CORRECTIONAL OFFICER**, ~~OR~~ law enforcement
2 officer, or fire, rescue, or emergency services personnel of the United States, the State, or a
3 political subdivision of the State, the amount included under subsection (b)(1) of this section
4 is limited to the first \$15,000 of retirement income that is attributable to the resident's
5 employment as a **CORRECTIONAL OFFICER**, A law enforcement officer, or fire, rescue, or
6 emergency services personnel of the United States, the State, or a political subdivision of
7 the State unless:

8 (1) the resident is at least 65 years old or is totally disabled; or

9 (2) the resident's spouse is totally disabled.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.