

# HOUSE BILL 361

Q3

0lr0169  
CF SB 279

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By: **The Speaker (By Request – Administration) and Delegates Adams, Anderton, Arentz, Arian, Beitzel, Buckel, Chisholm, Ciliberti, Corderman, Cox, M. Fisher, Ghrist, Griffith, Hartman, Howard, Jacobs, Kipke, Kittleman, Krebs, Long, Malone, Mangione, Mautz, McComas, McKay, Metzgar, Otto, Parrott, Pippy, Reilly, Rose, Saab, Shoemaker, Szeliga, Wilson, and Wivell**

Introduced and read first time: January 20, 2020

Assigned to: Ways and Means

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## 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 proving for the application of this Act; and generally relating to a subtraction  
6 modification under the Maryland income tax 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 2019 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 2019 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.

21 (a) To the extent included in federal adjusted gross income, the amounts under

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

5 (ii) "Military retirement income" means retirement income,  
6 including death benefits, received as a result of military service.

7 (iii) "Military service" means:

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

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

13 3. membership in an active component of the armed forces of  
14 the United States;

15 4. membership in the Maryland National Guard; or

16 5. active duty with the commissioned corps of the Public  
17 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and  
18 Geodetic Survey.

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

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

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

26 (I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,  
27 2019, BUT BEFORE JANUARY 1, 2021, THE GREATER OF \$15,000 OR 50% OF THE  
28 AMOUNT OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING  
29 THAT TAXABLE YEAR; AND

30 (II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,  
31 2020, ALL MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING  
32 THAT TAXABLE YEAR.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2   1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019.