

HOUSE BILL 1110

Q3

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By: Delegates Charles, Acevero, Boyce, Carr, Clark, Cox, Crosby, Crutchfield, M. Fisher, Harrison, Henson, Hill, Hornberger, Howard, Ivey, M. Jackson, Johnson, Krebs, Lehman, Malone, Morgan, Mosby, Qi, Queen, Rogers, Shetty, Turner, Valderrama, Valentino-Smith, Walker, Washington, Williams, Wilson, and P. Young

Introduced and read first time: February 6, 2020

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 allowing a subtraction under the Maryland income tax for a certain
4 amount of military retirement income received by an individual during the taxable
5 year if the individual has received a certain determination of a service connected
6 disability; providing for the application of this Act; and generally relating to a
7 subtraction modification under the Maryland income tax for military retirement
8 income.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2019 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–207(q)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2019 Supplement)

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

Article – Tax – General

21
22 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,
7 including death benefits, received 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) 1. if, on the last day of the taxable year, the individual is
22 under the age of 55 years, the first \$5,000 of military retirement income received by an
23 individual during the taxable year; and

24 [(ii)] 2. if, on the last day of the taxable year, the individual is at
25 least 55 years old, the first \$15,000 of military retirement income received by an individual
26 during the taxable year; OR

27 (II) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE
28 INDIVIDUAL HAS BEEN DECLARED BY THE U.S. DEPARTMENT OF VETERANS
29 AFFAIRS TO HAVE A PERMANENT 100% SERVICE CONNECTED DISABILITY, THE
30 FIRST \$30,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL
31 DURING THE TAXABLE YEAR.

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

1 1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019.