

HOUSE BILL 864

Q3
HB 1110/20 – W&M

1lr1674

By: **Delegate Charles**
Introduced and read first time: January 29, 2021
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 9, 2021

CHAPTER _____

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 2020 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 2020 Supplement)

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

21 **Article – Tax – General**

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.



1 10-207.

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

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

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

9 (iii) "Military service" means:

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

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

15 3. membership in an active component of the armed forces of
16 the United States;

17 4. membership in the Maryland National Guard; or

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

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

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

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

28 (II) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE
29 INDIVIDUAL HAS BEEN DECLARED BY THE U.S. DEPARTMENT OF VETERANS
30 AFFAIRS TO HAVE A PERMANENT 100% SERVICE-CONNECTED DISABILITY, THE
31 FIRST ~~\$30,000~~ \$20,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN
32 INDIVIDUAL DURING THE TAXABLE YEAR.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.