

# HOUSE BILL 420

Q3

2lr0151  
CF 2lr0150

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By: **The Speaker (By Request – Administration) and Delegates Anderton, Boteler, Chisholm, Ghrist, Griffith, Hartman, Hornberger, Howard, Jacobs, Kipke, Kittleman, Krebs, Mangione, Mautz, McComas, McKay, Metzgar, Morgan, Munoz, Novotny, Otto, Parrott, Reilly, Saab, Szeliga, Thiam, and Wivell**  
Introduced and read first time: January 19, 2022  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Retirement Tax Elimination Act of 2022**

3 FOR the purpose of allowing, subject to certain limitations, certain individuals a  
4 subtraction modification under the Maryland income tax for a certain amount of  
5 income; prohibiting an individual who includes income under the subtraction  
6 modification from including income under a certain subtraction modification for  
7 certain retirement income; and generally relating to a subtraction modification  
8 under the Maryland income tax.

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 2021 Supplement)

14 BY adding to  
15 Article – Tax – General  
16 Section 10–207(mm)  
17 Annotated Code of Maryland  
18 (2016 Replacement Volume and 2021 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Tax – General  
21 Section 10–209(d)  
22 Annotated Code of Maryland  
23 (2016 Replacement Volume and 2021 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Tax – General**

3 10–207.

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

7 **(MM) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE**  
8 **SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY INCOME OF**  
9 **AN INDIVIDUAL IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE INDIVIDUAL:**

10 **(I) IS RECEIVING OLD AGE OR SURVIVOR BENEFITS UNDER THE**  
11 **SOCIAL SECURITY ACT; OR**

12 **(II) 1. IS AT LEAST 65 YEARS OLD; AND**

13 **2. IS NOT EMPLOYED FULL TIME.**

14 **(2) INCOME THAT IS OTHERWISE INCLUDED IN A SUBTRACTION**  
15 **AUTHORIZED UNDER THIS SUBTITLE MAY NOT BE INCLUDED IN THE SUBTRACTION**  
16 **AUTHORIZED UNDER THIS SUBSECTION.**

17 **(3) (I) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS**  
18 **SUBSECTION MAY NOT EXCEED:**

19 **1. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**  
20 **31, 2021, BUT BEFORE JANUARY 1, 2023, \$10,000;**

21 **2. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**  
22 **31, 2022, BUT BEFORE JANUARY 1, 2024, \$20,000;**

23 **3. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**  
24 **31, 2023, BUT BEFORE JANUARY 1, 2025, \$30,000;**

25 **4. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**  
26 **31, 2024, BUT BEFORE JANUARY 1, 2026, \$40,000; AND**

27 **5. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**  
28 **31, 2025, BUT BEFORE JANUARY 1, 2027, \$50,000.**

29 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**

1 **2026, THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDES**  
2 **ALL INCOME OF THE INDIVIDUAL.**

3 **(4) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT**  
4 **THE PROVISIONS OF THIS SUBSECTION.**

5 10-209.

6 (d) **(1)** Military retirement income that is included in the subtraction under §  
7 10-207(q) of this subtitle may not be taken into account for purposes of the subtraction  
8 under this section.

9 **(2) INCOME THAT IS INCLUDED IN THE SUBTRACTION UNDER §**  
10 **10-207(MM) OF THIS SUBTITLE MAY NOT BE TAKEN INTO ACCOUNT FOR PURPOSES**  
11 **OF THE SUBTRACTION UNDER THIS SECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
13 1, 2022.