

HOUSE BILL 554

Q3

3lr0123
CF SB 553

By: **The Speaker (By Request – Administration) and Delegates Rogers, Charles, Addison, Allen, Alston, Amprey, Anderton, Attar, Bagnall, Boafu, Boyce, Buckel, Cardin, Conaway, Crosby, Crutchfield, Cullison, Davis, Fennell, Foley, Forbes, Fraser–Hidalgo, Ghrist, Grossman, Guyton, Harris, Hartman, Henson, Holmes, Hornberger, Hutchinson, Ivey, Jacobs, D. Jones, Kaufman, Kelly, Kipke, Lopez, Mangione, McComas, M. Morgan, Pasteur, Patterson, Phillips, Pippy, Queen, Reznik, Rose, Rosenberg, Sample–Hughes, Shetty, Simmons, Simpson, Smith, Stein, Taveras, Toles, Turner, Valderrama, Vogel, Watson, Wells, Wilkins, Williams, Wivell, Woods, Wu, Young, ~~and Ziegler~~ Ziegler, Arentz, Atterbeary, D. Barnes, Ebersole, Fair, Feldmark, Griffith, R. Long, Miller, and Mireku–North**

Introduced and read first time: February 2, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2023

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification for Military Retirement Income**
3 **(Keep Our Heroes Home Act)**

4 FOR the purpose of increasing the amount of a certain subtraction modification under the
5 Maryland income tax for certain military retirement income received by individuals,
6 ~~regardless of age,~~ during the taxable year for certain military service; and generally
7 relating to a subtraction modification under the Maryland income tax for military
8 retirement income.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a)
12 Annotated Code of Maryland
13 (2022 Replacement Volume)

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 BY repealing and reenacting, with amendments,
 2 Article – Tax – General
 3 Section 10–207(q)
 4 Annotated Code of Maryland
 5 (2022 Replacement Volume)

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

8 **Article – Tax – General**

9 10–207.

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

13 (q) (1) (i) In this subsection the following words have the meanings
 14 indicated.

15 (ii) “Military retirement income” means retirement income,
 16 including death benefits, received as a result of military service.

17 (iii) “Military service” means:

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

21 2. membership in a reserve component of the armed forces of
 22 the United States;

23 3. membership in an active component of the armed forces of
 24 the United States;

25 4. membership in the Maryland National Guard; or

26 5. active duty with the commissioned corps of the Public
 27 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and
 28 Geodetic Survey.

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

30 (i) if, on the last day of the taxable year, the individual is under the
 31 age of 55 years, the first ~~\$5,000~~ **\$12,500** of military retirement income received by an
 32 individual during the taxable year; and

1 (ii) if, on the last day of the taxable year, the individual is at least 55
2 years old, the first ~~\$15,000~~ **\$20,000** of military retirement income received by an individual
3 during the taxable year[†]

4 ~~(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,~~
5 ~~2022, BUT BEFORE JANUARY 1, 2024, THE FIRST \$25,000 OF MILITARY RETIREMENT~~
6 ~~INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR; AND~~

7 ~~(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,~~
8 ~~2023, THE FIRST \$40,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN~~
9 ~~INDIVIDUAL DURING THE TAXABLE YEAR.~~

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2023, and shall be applicable to all taxable years beginning after December 31, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.