

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 323 (Senator Jackson)  
 Budget and Taxation

**Income Tax - Subtraction Modification - Public Safety Volunteers**

This bill (1) consolidates the existing subtraction modification programs for volunteer police personnel and volunteer fire, rescue, and emergency services personnel under a “public safety volunteer” subtraction modification and makes various related changes; (2) increases the value of the subtraction modification for police auxiliaries and reserve volunteers from \$5,000 to \$7,000 for tax year 2024 (consistent with the value of the existing subtraction modification for volunteer fire, rescue, and emergency services personnel); and (3) increases the value of the subtraction modification for all eligible public safety volunteers to \$10,000 beginning in tax year 2025. **The bill takes effect July 1, 2024, and applies to tax year 2024 and beyond.**

**Fiscal Summary**

**State Effect:** General fund revenues decrease by \$21,000 in FY 2025 and \$1.3 million annually thereafter. The Comptroller’s Office can implement the bill’s changes with existing budgeted resources.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
GF Revenue	(\$21,000)	(\$1,279,000)	(\$1,279,000)	(\$1,279,000)	(\$1,279,000)
Expenditure	0	0	0	0	0
Net Effect	(\$21,000)	(\$1,279,000)	(\$1,279,000)	(\$1,279,000)	(\$1,279,000)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local revenues decrease by \$14,000 in FY 2024 and by \$835,000 annually thereafter. Local expenditures are not affected.

**Small Business Effect:** None.

## Analysis

**Current Law:** The Honorable Louis L. Goldstein Volunteer Police Personnel Subtraction Modification Program authorizes a subtraction modification of \$5,000 against the State income tax for qualifying police auxiliaries and reserve volunteers.

A similar program – the Honorable Louis L. Goldstein Volunteer Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification Program – authorizes a subtraction modification against the State income tax for qualifying volunteer fire, rescue, or emergency medical services (EMS) members. The value of the subtraction modification is \$7,000 for tax year 2022 and beyond.

Similar eligibility requirements apply to the volunteer police personnel and volunteer fire, rescue, and EMS personnel subtraction modifications. In general, an individual must (1) be an active member of a qualifying organization; (2) serve the organization in a volunteer capacity; and (3) have been an active member of a qualifying organization for at least 36 months during the last 10 calendar years by December 31 of the taxable year. In addition, an individual must:

- qualify for active status during the taxable year under a specified program, or have maintained active status under a specified program for at least 25 years;
- be a member of the National Guard or other reserve component of the U.S. Armed Forces who has been ordered into active military service and serves on active duty during the taxable year; or
- be a civilian or member of the Merchant Marines on assignment in support of the U.S. Armed Forces in a designated combat zone during the taxable year.

**State Revenues:** As discussed above, the bill increases the value of the volunteer police personnel subtraction modification from \$5,000 to \$7,000 in tax year 2024 and increases the value of the subtraction modification for all eligible public safety volunteers to \$10,000 beginning in tax year 2025. Thus, general fund revenues decrease by an estimated \$21,000 in fiscal 2025 and \$1.3 million annually thereafter due to increases in the value of subtraction modifications claimed against the personal income tax. This estimate is based on claims for the existing subtraction modifications in recent tax years and assumes a similar number of taxpayers will claim the subtraction modifications at the higher values in tax years 2024, 2025, and future years.

**Local Revenues:** Local income tax revenues decrease by an estimated \$14,000 in fiscal 2025 and \$835,000 annually thereafter due to increases in the value of subtraction modifications claimed against the personal income tax.

## Additional Information

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 76 and HB 521 and SB 94 and HB 1269 of 2023 and SB 117, SB 122, and HB 1472 of 2022.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; Department of Public Safety and Correctional Services; Maryland Municipal League; Department of Legislative Services

**Fiscal Note History:** First Reader - January 23, 2024  
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