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**By: Delegates Finifter, Bonsack, Bozman, Cryor, DeCarlo, Frank, Fry, Greenip, Harkins, Heller, Hixson, Holt, Howard, Hurson, Klausmeier, Leopold, Malone, Marriott, McKee, C. Mitchell, Mohorovic, Morhaim, Muse, Nathan-Pulliam, Parker, Ports, Preis, Rosapepe, Rzepkowski, Schade, Shriver, Stull, and Kelly**

Introduced and read first time: January 31, 1997

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 19, 1997

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

**2 Income Tax - Subtraction Modification for Volunteer Police Officers**

3 FOR the purpose of providing a subtraction modification under the Maryland income tax  
 4 in certain amounts for certain qualifying volunteer police officers; providing certain  
 5 criteria for qualification for the subtraction modification; requiring police agencies  
 6 to maintain certain records and provide certain reports relating to certain volunteer  
 7 services; requiring each police agency to submit a certain annual report to the  
 8 Department of Public Safety and Correctional Services and the Comptroller's  
 9 Office; providing for a certain penalty under certain circumstances; providing for  
 10 the application of this Act; and generally relating to a subtraction modification  
 11 under the Maryland income tax in certain amounts for certain qualifying volunteer  
 12 police officers.

13 BY repealing and reenacting, without amendments,

14 Article - Tax - General

15 Section 10-208(a)

16 Annotated Code of Maryland

17 (1988 Volume and 1996 Supplement)

18 BY adding to

19 Article - Tax - General

20 Section 10-208(l)

21 Annotated Code of Maryland

22 (1988 Volume and 1996 Supplement)

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

3 **Article - Tax - General**

4 10-208.

5 (a) In addition to the modification under § 10-207 of this subtitle, the amounts  
6 under this section are subtracted from the federal adjusted gross income of a resident to  
7 determine Maryland adjusted gross income.

8 (L) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
9 INCLUDES AN AMOUNT EQUAL TO \$3,000 IF AN INDIVIDUAL IS A QUALIFYING  
10 VOLUNTEER POLICE OFFICER FOR THE TAXABLE YEAR, AS DETERMINED UNDER  
11 PARAGRAPH (2) OF THIS SUBSECTION.

12 (2) AN INDIVIDUAL IS A QUALIFYING VOLUNTEER POLICE OFFICER  
13 FOR THE TAXABLE YEAR ELIGIBLE FOR THE SUBTRACTION MODIFICATION UNDER  
14 THIS SUBSECTION IF THE INDIVIDUAL:

15 (I) IS AN ACTIVE MEMBER OF A BONA FIDE MARYLAND POLICE  
16 AGENCY;

17 (II) SERVES THE ORGANIZATION IN A VOLUNTEER CAPACITY  
18 WITHOUT COMPENSATION, EXCEPT NOMINAL EXPENSES OR MEALS;

19 (III) 1. QUALIFIES FOR ACTIVE STATUS DURING THE TAXABLE  
20 YEAR UNDER:

21 A. A VOLUNTEER POLICE LENGTH OF SERVICE AWARD  
22 PROGRAM OPERATED BY A COUNTY OR MUNICIPAL CORPORATION OF THE STATE,  
23 IF THE MEMBER QUALIFIES FOR THE LENGTH OF SERVICE AWARD PROGRAM  
24 UNDER THE POLICE AGENCY'S RULES AND REGULATIONS; OR

25 B. A POINT SYSTEM OR OTHER SYSTEM OF QUALIFICATION  
26 ESTABLISHED BY A COUNTY OR MUNICIPAL CORPORATION THAT DOES NOT  
27 OPERATE A VOLUNTEER POLICE OFFICER LENGTH OF SERVICE AWARD PROGRAM,  
28 TO IDENTIFY ACTIVE VOLUNTEER POLICE OFFICERS, IF THE QUALIFICATION  
29 SYSTEM IS INCORPORATED INTO THE POLICE AGENCY'S RULES AND REGULATIONS;  
30 OR

31 2. HAS MAINTAINED ACTIVE STATUS FOR AT LEAST 25  
32 YEARS UNDER A VOLUNTEER POLICE LENGTH OF SERVICE AWARD PROGRAM OR A  
33 QUALIFICATION SYSTEM ESTABLISHED AND INCORPORATED INTO THE POLICE  
34 AGENCY'S RULES AND REGULATIONS ESTABLISHED IN LIEU OF A LENGTH OF  
35 SERVICE AWARD PROGRAM; AND

36 (IV) WILL HAVE BEEN AN ACTIVE MEMBER OF A BONA FIDE POLICE  
37 AGENCY FOR AT LEAST 72 MONTHS DURING THE LAST 10 CALENDAR YEARS BY  
38 DECEMBER 31 OF THE TAXABLE YEAR.

39 (3) EACH POLICE AGENCY SHALL:

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1 (I) MAINTAIN A RECORD OF THE ACTIVITIES OF EACH  
2 VOLUNTEER POLICE OFFICER DURING THE CALENDAR YEAR;

3 (II) PROVIDE EACH MEMBER A REPORT BY FEBRUARY 15 OF THE  
4 FOLLOWING YEAR INDICATING THAT THE MEMBER QUALIFIED DURING THE  
5 PRECEDING CALENDAR YEAR; AND

6 (III) PROVIDE A REPORT THAT INCLUDES THE NAMES, SOCIAL  
7 SECURITY NUMBERS, AND A CERTIFICATION THAT THE OFFICER QUALIFIED FOR  
8 THE SUBTRACTION MODIFICATION UNDER THIS SECTION.

9 (4) TO QUALIFY FOR THE SUBTRACTION MODIFICATION UNDER THIS  
10 SUBSECTION, AN INDIVIDUAL SHALL ATTACH TO THE INDIVIDUAL'S INCOME TAX  
11 RETURN A COPY OF THE REPORT PROVIDED BY THE POLICE AGENCY UNDER  
12 PARAGRAPH (3) OF THIS SUBSECTION.

13 (5) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE POLICE AGENCY  
14 SHALL SUBMIT TO THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL  
15 SERVICES AND THE OFFICE OF THE COMPTROLLER A REPORT LISTING THE NAMES  
16 AND SOCIAL SECURITY NUMBERS OF INDIVIDUALS WHO QUALIFIED FOR THE  
17 SUBTRACTION MODIFICATION UNDER THIS SUBSECTION FOR THE PRECEDING  
18 TAXABLE YEAR.

19 (6) (I) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE ANY FALSE  
20 STATEMENT OR REPORT TO BE MADE IN ANY APPLICATION OR IN ANY DOCUMENT  
21 REQUIRED UNDER THIS SUBSECTION.

22 (II) ANY PERSON WHO VIOLATES OR ATTEMPTS TO VIOLATE ANY  
23 PROVISION OF SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE SUBJECT TO A  
24 FINE OF \$1,000.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,  
27 1997.