
By: **Delegates Klausmeier, Minnick, Finifter, K. Kelly, Ports, Hammen,
DeCarlo, and Redmer**

Introduced and read first time: February 11, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Income Tax - Military Retirement Income**

3 FOR the purpose of altering the maximum amount allowed under a certain
4 subtraction modification under the Maryland income tax for military retirement
5 income received by certain individuals; altering a provision reducing the allowed
6 subtraction if federal adjusted gross income exceeds a certain level; providing for
7 the application of this Act; and generally relating to a subtraction modification
8 for certain military retirement income.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - General
11 Section 10-207(q)
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 1998 Supplement)

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

16 **Article - Tax - General**

17 10-207.

18 (q) (1) The subtraction under subsection (a) of this section includes the first
19 [\$2,500] \$5,000 of military retirement income received by an individual during the
20 taxable year, if the individual:

21 (i) is at least 55 years old on the last day of the taxable year; and

22 (ii) was an enlisted member of the military at the time of
23 retirement.

24 (2) The MAXIMUM amount of the subtraction under paragraph (1) of this
25 subsection[:

1 (i) is reduced by 50% of the amount by which federal adjusted
2 gross income exceeds \$17,500; and

3 (ii) is reduced to zero if federal adjusted gross income exceeds
4 \$22,500] \$32,000.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,
7 1998.