

HOUSE BILL 53

Unofficial Copy
Q3

2002 Regular Session
2lr0656

(PRE-FILED)

By: **Delegates Boschert, Love, Vallario, Edwards, Owings, Conroy, La Vay, Barkley, Conway, Cryor, Kach, K. Kelly, Parrott, James, Pitkin, Riley, Amedori, Cadden, Rzepkowski, Hubbard, Clagett, Brinkley, Pendergrass, Rosso, Greenip, Baldwin, Leopold, and Sophocleus**

Requested: October 12, 2001

Introduced and read first time: January 9, 2002

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification - Military Retirement Income**

3 FOR the purpose of altering a certain subtraction modification under the Maryland
4 income tax for military retirement income; providing for the application of this
5 Act; and generally relating to a subtraction modification for military retirement
6 income.

7 BY repealing and reenacting, without amendments,
8 Article - Tax - General
9 Section 10-207(a)
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2001 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Tax - General
14 Section 10-207(q)
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2001 Supplement)

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

19 **Article - Tax - General**

20 10-207.

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

1 (q) [(1)] The subtraction under subsection (a) of this section includes [the
2 first \$2,500] 100% of military retirement income received by an individual during the
3 taxable [year, if the individual:

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

5 (ii) was an enlisted member of the military at the time of
6 retirement.

7 (2) The amount of the subtraction under paragraph (1) of this subsection:

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

10 (ii) is reduced to zero if federal adjusted gross income exceeds
11 \$22,500] YEAR.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2002 and shall be applicable to all taxable years after December 31, 2001.