
By: **Delegates Boschert, Gilleland, Healey, and Hixson**

Introduced and read first time: January 13, 2005

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Relief for Surviving Spouse of Fallen Armed Forces Member**

3 FOR the purpose of providing a certain credit against the State income tax for the
4 surviving spouse of a member of the armed forces who died as a result of or
5 while serving in certain combat zones under certain circumstances; limiting the
6 credit to a certain amount; prohibiting the unused amount of the credit from
7 being carried over to any other taxable year; providing for an exemption from
8 the State property tax under certain circumstances for a dwelling owned by a
9 surviving spouse of a fallen member of the armed forces; defining certain terms;
10 providing for the application of this Act; and generally relating to certain tax
11 relief for a surviving spouse of a fallen armed forces member.

12 BY adding to

13 Article - Tax - General
14 Section 10-725
15 Annotated Code of Maryland
16 (2004 Replacement Volume)

17 BY adding to

18 Article - Tax - Property
19 Section 7-306
20 Annotated Code of Maryland
21 (2001 Replacement Volume and 2004 Supplement)

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

24 **Article - Tax - General**

25 10-725.

26 (A) A SURVIVING SPOUSE OF A FALLEN MEMBER OF THE UNITED STATES
27 ARMED FORCES MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE
28 TAXABLE YEAR IN WHICH THE FALLEN ARMED FORCES MEMBER DIED IF:

1 (1) THE SURVIVING SPOUSE HAS NOT REMARRIED;

2 (2) THE FALLEN ARMED FORCES MEMBER OR THE SURVIVING SPOUSE
3 WAS A RESIDENT OF THE STATE AS OF THE DATE OF THE FALLEN ARMED FORCES
4 MEMBER'S DEATH; AND

5 (3) (I) THE FALLEN ARMED FORCES MEMBER WAS KILLED IN ACTION
6 WHILE SERVING IN MILITARY OPERATIONS IN AFGHANISTAN OR IRAQ; OR

7 (II) THE FALLEN ARMED FORCES MEMBER DIED AS A RESULT OF
8 COMBAT-RELATED WOUNDS, DISEASE, OR INJURY SUFFERED WHILE SERVING IN
9 MILITARY OPERATIONS IN AFGHANISTAN OR IRAQ.

10 (B) THE CREDIT ALLOWED UNDER THIS SECTION EQUALS THE LESSER OF:

11 (1) THE STATE INCOME TAX FOR THE TAXABLE YEAR IN WHICH THE
12 CREDIT IS CLAIMED; OR

13 (2) \$500.

14 (C) THE UNUSED AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
15 MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

16

Article - Tax - Property

17 7-306.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) (I) "DWELLING" MEANS REAL PROPERTY THAT:

21 1. IS THE LEGAL RESIDENCE OF A SURVIVING SPOUSE; AND

22 2. IS OCCUPIED BY NOT MORE THAN TWO FAMILIES.

23 (II) "DWELLING" INCLUDES THE LOT OR CURTILAGE AND
24 STRUCTURES NECESSARY TO USE THE REAL PROPERTY AS A RESIDENCE.

25 (3) "FALLEN ARMED FORCES MEMBER" MEANS A MEMBER OF THE
26 UNITED STATES ARMED FORCES WHO:

27 (I) WAS KILLED IN ACTION WHILE SERVING IN MILITARY
28 OPERATIONS IN AFGHANISTAN OR IRAQ; OR

29 (II) DIED AS A RESULT OF COMBAT-RELATED WOUNDS, DISEASE,
30 OR INJURY SUFFERED WHILE SERVING IN MILITARY OPERATIONS IN AFGHANISTAN
31 OR IRAQ.

1 (4) "SURVIVING SPOUSE" MEANS A SURVIVING SPOUSE, WHO HAS NOT
2 REMARRIED, OF A FALLEN ARMED FORCES MEMBER.

3 (B) A DWELLING THAT IS OWNED BY A SURVIVING SPOUSE OF A FALLEN
4 ARMED FORCES MEMBER IS NOT SUBJECT TO THE STATE PROPERTY TAX:

5 (1) IF THE DWELLING WAS OWNED BY THE FALLEN ARMED FORCES
6 MEMBER WHEN THE FALLEN ARMED FORCES MEMBER DIED;

7 (2) IF THE FALLEN ARMED FORCES MEMBER OR THE SURVIVING
8 SPOUSE WAS A RESIDENT OF THE STATE AS OF THE DATE OF THE FALLEN ARMED
9 FORCES MEMBER'S DEATH AND THE DWELLING WAS ACQUIRED BY THE SURVIVING
10 SPOUSE WITHIN 2 YEARS OF THE DEATH OF THE FALLEN ARMED FORCES MEMBER;
11 OR

12 (3) IF THE DWELLING WAS ACQUIRED AFTER THE SURVIVING SPOUSE
13 QUALIFIED FOR AN EXEMPTION FOR A FORMER DWELLING UNDER ITEM (1) OR (2) OF
14 THIS SUBSECTION, TO THE EXTENT OF THE PREVIOUS EXEMPTION.

15 SECTION 2. AND BE IT FURTHER ENACTED, That § 10-725 of the Tax -
16 General Article as enacted by Section 1 of this Act shall be applicable to all taxable
17 years beginning after December 31, 2004.

18 SECTION 3. AND BE IT FURTHER ENACTED, That § 7-306 of the Tax -
19 Property Article as enacted by Section 1 of this Act shall be applicable to all taxable
20 years beginning after June 30, 2005.

21 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 2005.