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By: Delegates Boschert, Gilleland, Healey, and Hixson Hixson, Bartlett,  
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Howard, Kaiser, King, Marriott, McKee, Myers, Patterson, Ramirez, and  
Ross

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Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 21, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income 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 income  
11 tax 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)~~

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 10-725.

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

8 (1) THE SURVIVING SPOUSE HAS NOT REMARRIED;

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

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

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

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

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

20 (2) \$500.

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

23 ~~**Article - Tax - Property**~~

24 ~~7-306.~~

25 (A) ~~(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
26 ~~INDICATED:~~

27 ~~(2) (1) "DWELLING" MEANS REAL PROPERTY THAT:~~

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

29 ~~2. IS OCCUPIED BY NOT MORE THAN TWO FAMILIES.~~

30 ~~(1) "DWELLING" INCLUDES THE LOT OR CURTILAGE AND~~  
31 ~~STRUCTURES NECESSARY TO USE THE REAL PROPERTY AS A RESIDENCE.~~

1           (3)     ~~"FALLEN ARMED FORCES MEMBER" MEANS A MEMBER OF THE~~  
2 ~~UNITED STATES ARMED FORCES WHO:~~

3                     (I)     ~~WAS KILLED IN ACTION WHILE SERVING IN MILITARY~~  
4 ~~OPERATIONS IN AFGHANISTAN OR IRAQ; OR~~

5                     (II)    ~~DIED AS A RESULT OF COMBAT RELATED WOUNDS, DISEASE,~~  
6 ~~OR INJURY SUFFERED WHILE SERVING IN MILITARY OPERATIONS IN AFGHANISTAN~~  
7 ~~OR IRAQ.~~

8           (4)     ~~"SURVIVING SPOUSE" MEANS A SURVIVING SPOUSE, WHO HAS NOT~~  
9 ~~REARRIED, OF A FALLEN ARMED FORCES MEMBER.~~

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

12                     (1)     ~~IF THE DWELLING WAS OWNED BY THE FALLEN ARMED FORCES~~  
13 ~~MEMBER WHEN THE FALLEN ARMED FORCES MEMBER DIED;~~

14                     (2)     ~~IF THE FALLEN ARMED FORCES MEMBER OR THE SURVIVING~~  
15 ~~SPOUSE WAS A RESIDENT OF THE STATE AS OF THE DATE OF THE FALLEN ARMED~~  
16 ~~FORCES MEMBER'S DEATH AND THE DWELLING WAS ACQUIRED BY THE SURVIVING~~  
17 ~~SPOUSE WITHIN 2 YEARS OF THE DEATH OF THE FALLEN ARMED FORCES MEMBER;~~  
18 ~~OR~~

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

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

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

28    ~~SECTION 4. 2. AND BE IT FURTHER ENACTED, That this Act shall take~~  
29 ~~effect ~~June~~ July 1, 2005, and shall be applicable to all taxable years beginning after~~  
30 ~~December 31, 2004.~~

