

(PRE-FILED)

By: **Delegate Levy**

Requested: July 14, 2005

Introduced and read first time: January 11, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Active Duty Income - Military**
3 **Reserves and Maryland National Guard**

4 FOR the purpose of providing a subtraction modification under the Maryland income
5 tax for income received by members of the military reserves and Maryland
6 National Guard that is attributable to certain active duty service; providing that
7 income that is included in a certain subtraction may not be taken into account
8 for purposes of the subtraction under this Act; providing for the application of
9 this Act; and generally relating to a subtraction modification for certain income
10 received by members of the military reserves and Maryland National Guard.

11 BY repealing and reenacting, without amendments,
12 Article - Tax - General
13 Section 10-207(a)
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2005 Supplement)

16 BY adding to
17 Article - Tax - General
18 Section 10-207(w)
19 Annotated Code of Maryland
20 (2004 Replacement Volume and 2005 Supplement)

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

23 **Article - Tax - General**

24 10-207.

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

1 (W) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
2 INCLUDES THE AMOUNT OF INCOME THAT IS:

3 (I) RECEIVED BY AN INDIVIDUAL WHO IS A MEMBER OF A
4 RESERVE COMPONENT OF THE ARMED FORCES OF THE UNITED STATES OR THE
5 MARYLAND NATIONAL GUARD; AND

6 (II) ATTRIBUTABLE TO ACTIVE DUTY SERVICE UNDER ORDERS
7 FROM THE PRESIDENT OF THE UNITED STATES OR THE GOVERNOR.

8 (2) INCOME THAT IS INCLUDED IN THE SUBTRACTION UNDER
9 SUBSECTION (P) OF THIS SECTION MAY NOT BE TAKEN INTO ACCOUNT FOR
10 PURPOSES OF THE SUBTRACTION UNDER THIS SUBSECTION.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,
13 2005.