

(PRE-FILED)

By: **Senator Colburn**
Requested: September 20, 2005
Introduced and read first time: January 11, 2006
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Volunteer Fire, Rescue, or**
3 **Emergency Personnel - Eligibility**

4 FOR the purpose of expanding eligibility for a certain subtraction modification for
5 volunteer fire, rescue, or emergency services members to include individuals
6 who have reached a certain age by the end of the taxable year and have met
7 certain requirements; requiring certain reports provided by certain fire, rescue,
8 or emergency medical services organizations to include certain information;
9 providing for the application of this Act; and generally relating to expanding
10 eligibility for a certain subtraction modification for volunteer fire, rescue, or
11 emergency services members to include individuals who have reached a certain
12 age by the end of the taxable year and have met certain requirements.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - General
15 Section 10-208(i-1)
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2005 Supplement)

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

20 **Article - Tax - General**

21 10-208.

22 (i-1) (1) The subtraction under subsection (a) of this section includes an
23 amount equal to \$3,500 if an individual is a qualifying volunteer fire, rescue, or
24 emergency medical services member for the taxable year, as determined under
25 paragraph (2) of this subsection.

26 (2) [An] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
27 AN individual is a qualifying volunteer fire, rescue, or emergency medical services

1 member for the taxable year eligible for the subtraction modification under this
2 subsection if the individual:

3 (i) is an active member of:

4 1. a bona fide Maryland fire, rescue, or emergency medical
5 services organization;

6 2. an auxiliary organization of a bona fide Maryland fire,
7 rescue, or emergency medical services organization; or

8 3. the United States Coast Guard Auxiliary;

9 (ii) serves the organization in a volunteer capacity without
10 compensation, except nominal expenses or meals;

11 (iii) 1. qualifies for active status during the taxable year under:

12 A. a volunteer fire, rescue, or emergency medical services
13 personnel or auxiliary length of service award program operated by a county or
14 municipal corporation of the State, if the length of service award program requires for
15 active status qualification a minimum of 50 points per year and that points be earned
16 in at least two different categories; or

17 B. a point system established by a county or municipal
18 corporation that does not operate a volunteer fire, rescue, or emergency medical
19 services personnel or auxiliary length of service award program or by the United
20 States Coast Guard Auxiliary, to identify active members of a volunteer fire, rescue,
21 or emergency medical services organization or auxiliary organization, if the point
22 system requires for active status qualification a minimum of 50 points per year and
23 that points be earned in at least two different categories;

24 2. has maintained active status for at least 25 years under a
25 volunteer fire, rescue, or emergency medical services personnel or auxiliary length of
26 service award program or a point system established in lieu of a length of service
27 award program;

28 3. is a member of the National Guard or other reserve
29 component of the United States armed forces who has been ordered into active
30 military service and who serves on active duty in the armed forces of the United
31 States during the taxable year; or

32 4. is a civilian or a member of the Merchant Marine on
33 assignment in support of the armed forces of the United States during the taxable
34 year in an area designated as a combat zone by executive order of the President; and

35 (iv) will have been an active member of:

36 1. a bona fide Maryland fire, rescue, or emergency medical
37 services organization or an auxiliary organization of a bona fide Maryland fire,

1 rescue, or emergency medical services organization during the last 10 calendar years
2 by December 31 of the taxable year for at least:

- 3 A. 72 months after December 31, 1999;
 - 4 B. 60 months after December 31, 2000;
 - 5 C. 48 months after December 31, 2001; and
 - 6 D. 36 months after December 31, 2002; or
- 7 2. the United States Coast Guard Auxiliary during the last
8 10 calendar years by December 31 of the taxable year for at least 72 months.

9 (3) AN INDIVIDUAL IS A QUALIFYING VOLUNTEER FIRE, RESCUE, OR
10 EMERGENCY MEDICAL SERVICES MEMBER FOR THE TAXABLE YEAR ELIGIBLE FOR
11 THE SUBTRACTION MODIFICATION UNDER THIS SUBSECTION IF THE INDIVIDUAL:

12 (I) ON THE LAST DAY OF THE TAXABLE YEAR, IS AT LEAST 65
13 YEARS OLD AND HAS MET THE QUALIFICATIONS UNDER PARAGRAPH (2) OF THIS
14 SUBSECTION, EXCEPT THAT THE MINIMUM OF 50 POINTS EARNED PER YEAR AS
15 REQUIRED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION MAY BE EARNED IN ANY
16 CATEGORY OR ACTIVITY AREA; OR

17 (II) ON THE LAST DAY OF THE TAXABLE YEAR, IS AT LEAST 75
18 YEARS OLD AND HAS QUALIFIED FOR ACTIVE STATUS UNDER PARAGRAPH (2) OF THIS
19 SUBSECTION FOR A PERIOD OF AT LEAST 40 YEARS PRIOR TO THE END OF THE
20 TAXABLE YEAR.

21 (4) (i) Each fire, rescue, or emergency medical services organization or
22 auxiliary organization shall:

23 1. maintain a record of the points earned by each individual
24 during each calendar year;

25 2. provide each member a report identifying the number of
26 points earned in each category OR A STATEMENT THAT THE MEMBER HAS MET THE
27 QUALIFICATIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION by February 15 of the
28 following year; and

29 3. provide a report that includes the names, Social Security
30 numbers, and points earned by those members qualifying for the subtraction
31 modification under this subsection to the Maryland State Firemen's Association by
32 May 1 of the following year.

33 (ii) An individual may not qualify for the subtraction under this
34 subsection based on membership in the United States Coast Guard Auxiliary unless
35 the United States Coast Guard Auxiliary:

- 1 maintains a record of the points earned by each individual
2 during each calendar year;
- 3 2. provides each member a report identifying the number of
4 points earned in each category by February 15 of the following year; and
- 5 3. provides a report that includes the names, Social Security
6 numbers, and points earned by those members qualifying for the subtraction
7 modification under this subsection to the Comptroller on or before October 1 of each
8 year.

9 [(4)] (5) To qualify for the subtraction modification under this
10 subsection, an individual shall attach to the individual's income tax return a copy of
11 the report provided by the organization under paragraph [(3)] (4) of this subsection.

12 [(5)] (6) On or before October 1 of each year, the Maryland State
13 Firemen's Association shall submit to the Department of Public Safety and
14 Correctional Services and the Office of the Comptroller a report stating the
15 participation in the point system by the various local subdivisions with the names and
16 Social Security numbers of individuals who qualified for the subtraction modification
17 under this subsection for the preceding taxable year.

18 [(6)] (7) (i) A person may not knowingly make or cause any false
19 statement or report to be made in any application or in any document required under
20 this subsection.

21 (ii) Any person who violates or attempts to violate any provision of
22 subparagraph (i) of this paragraph shall be subject to a fine of \$1,000.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,
25 2005.