

HOUSE BILL 151

Q3

71r0493

By: **Delegates Hixson, Bromwell, Cardin, Conway, Gilchrist, Howard, Ivey, Kaiser, N. King, Krebs, Olszewski, Rice, Ross, Stukes, and F. Turner**

Introduced and read first time: January 25, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Hometown Heroes Act of 2007 – Income Tax – Subtraction Modification for**
3 **Retirement Income of Law Enforcement, Fire, Rescue, and Emergency**
4 **Services Personnel**

5 FOR the purpose of providing a subtraction modification under the Maryland income
6 tax for certain public safety retirement income attributable to an individual's
7 employment as a law enforcement officer or the individual's service as fire,
8 rescue, or emergency services personnel; defining a certain term; providing for
9 the application of this Act; and generally relating to a subtraction modification
10 under the Maryland income tax for certain retirement income attributable to an
11 individual's employment as a law enforcement officer or the individual's service
12 as fire, rescue, or emergency services personnel.

13 BY repealing and reenacting, without amendments,
14 Article – Tax – General
15 Section 10–207(a)
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2006 Supplement)

18 BY adding to
19 Article – Tax – General
20 Section 10–207(x)
21 Annotated Code of Maryland
22 (2004 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Tax – General
3 Section 10–209
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2006 Supplement)

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

8 **Article – Tax – General**

9 10–207.

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

13 **(X) (1) IN THIS SUBSECTION, “PUBLIC SAFETY RETIREMENT INCOME”**
14 **MEANS RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL THAT IS**
15 **ATTRIBUTABLE TO THE INDIVIDUAL’S EMPLOYMENT AS:**

16 **(I) A LAW ENFORCEMENT OFFICER OF THE UNITED STATES,**
17 **THE STATE, OR A POLITICAL SUBDIVISION OF THE STATE; OR**

18 **(II) FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL OF**
19 **THE UNITED STATES, THE STATE, OR A POLITICAL SUBDIVISION OF THE STATE.**

20 **(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
21 **INCLUDES THE FIRST \$5,000 OF PUBLIC SAFETY RETIREMENT INCOME**
22 **RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR.**

23 10–209.

24 (a) In this section:

25 (1) “employee retirement system” means a plan:

26 (i) established and maintained by an employer for the benefit of
27 its employees; and

28 (ii) qualified under § 401(a), § 403, or § 457(b) of the Internal
29 Revenue Code; and

- 1 (2) “employee retirement system” does not include:
- 2 (i) an individual retirement account or annuity under § 408 of
3 the Internal Revenue Code;
- 4 (ii) a Roth individual retirement account under § 408A of the
5 Internal Revenue Code;
- 6 (iii) a rollover individual retirement account;
- 7 (iv) a simplified employee pension under Internal Revenue Code
8 § 408(k); or
- 9 (v) an ineligible deferred compensation plan under § 457(f) of
10 the Internal Revenue Code.
- 11 (b) Subject to subsection (d) of this section, to determine Maryland adjusted
12 gross income, if, on the last day of the taxable year, a resident is at least 65 years old
13 or is totally disabled or the resident’s spouse is totally disabled, an amount is
14 subtracted from federal adjusted gross income equal to the lesser of:
- 15 (1) the cumulative or total annuity, pension, or endowment income
16 from an employee retirement system included in federal adjusted gross income; or
- 17 (2) the maximum annual benefit under the Social Security Act
18 computed under subsection (c) of this section, less any payment received as old age,
19 survivors, or disability benefits under the Social Security Act, the Railroad Retirement
20 Act, or both.
- 21 (c) For purposes of subsection (b)(2) of this section, the Comptroller:
- 22 (1) shall determine the maximum annual benefit under the Social
23 Security Act allowed for an individual who retired at age 65 for the prior calendar
24 year; and
- 25 (2) may allow the subtraction to the nearest \$100.
- 26 (d) Military retirement income **OR PUBLIC SAFETY RETIREMENT INCOME**
27 that is included in the subtraction under § 10–207(q) **OR (X)** of this subtitle may not be
28 taken into account for purposes of the subtraction under this section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2007, and shall be applicable to all taxable years beginning after December 31,
3 2006.