

HOUSE BILL 392

Q3

71r1979

By: **Delegates Kaiser and Taylor**

Introduced and read first time: February 2, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement Income for**
3 **Commissioned Officers**

4 FOR the purpose of altering a certain subtraction modification under the State income
5 tax for certain military retirement income to include certain individuals;
6 defining certain terms; providing for the application of this Act; and generally
7 relating to the State income tax of certain retirement income.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2006 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(q)
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2006 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 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (q) (1) (i) In this subsection the following words have the meanings
5 indicated.

6 (ii) "Military service" means:

7 1. induction into the armed forces of the United States
8 for training and service under the Selective Training and Service Act of 1940 or a
9 subsequent act of a similar nature;

10 2. membership in a reserve component of the armed
11 forces of the United States;

12 3. membership in an active component of the armed
13 forces of the United States;

14 4. membership in the Maryland National Guard; or

15 5. [with respect to a person separated from employment
16 on or after July 1, 1991,] active duty with the commissioned corps of the Public Health
17 Service, the National Oceanic and Atmospheric Administration, or the Coast and
18 Geodetic Survey.

19 (iii) "Military retirement income" means retirement income
20 received as a result of military service.

21 (2) The subtraction under subsection (a) of this section includes the
22 first \$5,000 of military retirement income received by an individual during the taxable
23 year.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2007, and shall be applicable to all taxable years beginning after December 31,
26 2006.