

HOUSE BILL 392

Q3

71r1979

By: **Delegates Kaiser and Taylor**

Introduced and read first time: February 2, 2007

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2007

CHAPTER _____

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~~ taxation 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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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 10–207.

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

8 (q) (1) (i) In this subsection the following words have the meanings
9 indicated.

10 (ii) “Military service” means:

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

14 2. membership in a reserve component of the armed
15 forces of the United States;

16 3. membership in an active component of the armed
17 forces of the United States;

18 4. membership in the Maryland National Guard; or

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

23 (iii) “Military retirement income” means retirement income
24 received as a result of military service.

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

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.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.