

# SENATE BILL 445

Q3

71r1924  
CF HB 176

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By: **Senator Colburn**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification for Military Retirement – Expansion**

3 FOR the purpose of expanding the applicability of a certain subtraction modification  
4 under the Maryland income tax for military retirement income by removing a  
5 certain limitation applicable to certain service with the commissioned corps of  
6 the Public Health Service, the National Oceanic and Atmospheric  
7 Administration, or the Coast and Geodetic Survey; increasing the maximum  
8 amount of a certain subtraction modification under the Maryland income tax for  
9 military retirement income; providing for the application of this Act; and  
10 generally relating to expanding applicability of and increasing the amount of a  
11 certain subtraction modification under the Maryland income tax for military  
12 retirement income.

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 repealing and reenacting, with amendments,  
19 Article – Tax – General  
20 Section 10–207(q)  
21 Annotated Code of Maryland  
22 (2004 Replacement Volume and 2006 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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] **\$20,000** of military retirement income received by an individual during  
27 the taxable 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.