

SENATE BILL 982

Q3

71r2908

By: **Senator McFadden**

Introduced and read first time: March 1, 2007

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – United States Coast Guard**
3 **Auxiliary**

4 FOR the purpose of altering certain requirements for an individual to be eligible for a
5 certain subtraction modification under the Maryland income tax for service in
6 certain fire, rescue, or emergency medical services organizations; repealing
7 certain obsolete language; altering the amount of the subtraction modification;
8 providing for the application of this Act; and generally relating to a subtraction
9 modification under the Maryland income tax for service in certain fire, rescue,
10 or emergency medical services organizations.

11 BY repealing and reenacting, without amendments,
12 Article – Tax – General
13 Section 10–208(a)
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2006 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – General
18 Section 10–208(i–1)
19 Annotated Code of Maryland
20 (2004 Replacement Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article - Tax - General

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

10-208.

(a) In addition to the modification under § 10-207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(i-1) (1) The subtraction under subsection (a) of this section includes an amount equal to ~~[\$3,500]~~ **\$4,500** if an individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year, as determined under paragraph (2) of this subsection.

(2) An individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year eligible for the subtraction modification under this subsection if the individual:

(i) is an active member of:

1. a bona fide Maryland fire, rescue, or emergency medical services organization;
2. an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization; or
3. the United States Coast Guard Auxiliary;

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

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

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

B. a point system established by a county or municipal corporation that does not operate a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program or by the United States Coast Guard Auxiliary, to identify active members of a volunteer fire, rescue, or

1 emergency medical services organization or auxiliary organization, if the point system
2 requires for active status qualification a minimum of 50 points per year and that
3 points be earned in at least two different categories;

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

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

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

15 (iv) will have been an active member of[:

16 1.] a bona fide Maryland fire, rescue, or emergency
17 medical services organization, [or] an auxiliary organization of a bona fide Maryland
18 fire, rescue, or emergency medical services organization, **OR THE UNITED STATES**
19 **COAST GUARD AUXILIARY FOR AT LEAST 36 MONTHS** during the last 10 calendar
20 years by December 31 of the taxable year [for at least:

21 A. 72 months after December 31, 1999;

22 B. 60 months after December 31, 2000;

23 C. 48 months after December 31, 2001; and

24 D. 36 months after December 31, 2002; or

25 2. the United States Coast Guard Auxiliary during the
26 last 10 calendar years by December 31 of the taxable year for at least 72 months].

27 (3) (i) Each fire, rescue, or emergency medical services
28 organization or auxiliary organization shall:

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

1 2. provide each member a report identifying the number
2 of points earned in each category by February 15 of the following year; and

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

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

10 1. maintains a record of the points earned by each
11 individual during each calendar year;

12 2. provides each member a report identifying the
13 number of points earned in each category by February 15 of the following year; and

14 3. provides a report that includes the names, Social
15 Security numbers, and points earned by those members qualifying for the subtraction
16 modification under this subsection to the Comptroller on or before October 1 of each
17 year.

18 (4) To qualify for the subtraction modification under this subsection,
19 an individual shall attach to the individual's income tax return a copy of the report
20 provided by the organization under paragraph (3) of this subsection.

21 (5) On or before October 1 of each year, the Maryland State Firemen's
22 Association shall submit to the Department of Public Safety and Correctional Services
23 and the Office of the Comptroller a report stating the participation in the point system
24 by the various local subdivisions with the names and Social Security numbers of
25 individuals who qualified for the subtraction modification under this subsection for the
26 preceding taxable year.

27 (6) (i) A person may not knowingly make or cause any false
28 statement or report to be made in any application or in any document required under
29 this subsection.

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

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.