

# SENATE BILL 12

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(PRE-FILED)

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By: **Senator McFadden**

Requested: September 28, 2007

Introduced and read first time: January 9, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

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

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; providing for the application of this Act; and  
8 generally relating to a subtraction modification under the Maryland income tax  
9 for service in certain fire, rescue, or emergency medical services organizations.

10 BY repealing and reenacting, without amendments,  
11 Article – Tax – General  
12 Section 10–208(a)  
13 Annotated Code of Maryland  
14 (2004 Replacement Volume and 2007 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – Tax – General  
17 Section 10–208(i–1)  
18 Annotated Code of Maryland  
19 (2004 Replacement Volume and 2007 Supplement)

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

22 **Article – Tax – General**

23 10–208.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

11 (i) is an active member of:

12 1. a bona fide Maryland fire, rescue, or emergency  
13 medical services organization;

14 2. an auxiliary organization of a bona fide Maryland fire,  
15 rescue, or emergency medical services organization; or

16 3. the United States Coast Guard Auxiliary;

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

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

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

26 B. a point system established by a county or municipal  
27 corporation that does not operate a volunteer fire, rescue, or emergency medical  
28 services personnel or auxiliary length of service award program or by the United  
29 States Coast Guard Auxiliary, to identify active members of a volunteer fire, rescue, or  
30 emergency medical services organization or auxiliary organization, if the point system  
31 requires for active status qualification a minimum of 50 points per year and that  
32 points be earned in at least two different categories;

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

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

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

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

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

14                   A.    72 months after December 31, 1999;

15                   B.    60 months after December 31, 2000;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,  
25 2007.