

HOUSE BILL 1257

Q3
HB 1376/09 – W&M

11r2853

By: **Delegates Minnick, Aumann, Boteler, Bromwell, Cane, Clagett, DeBoy, Frank, Hershey, Hogan, Jacobs, Kach, McDermott, Olszewski, Schulz, Smigiel, Stein, and Weir**

Introduced and read first time: February 22, 2011

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Compensation Outside the**
3 **United States**

4 FOR the purpose of altering the calculation of a subtraction modification under the
5 Maryland income tax for certain military compensation paid under certain
6 circumstances; providing for the application of this Act; and generally relating
7 to taxation of certain military compensation.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2010 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(p)
16 Annotated Code of Maryland
17 (2010 Replacement Volume)

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 (p) [(1)] The subtraction under subsection (a) of this section includes the
5 first \$15,000 of military pay that is:

6 [(i)] (1) received by an individual who is in active service of
7 any branch of the armed forces; and

8 [(ii)] (2) attributable to military service of the individual
9 outside the United States.

10 [(2)] The amount of the subtraction under paragraph (1) of this
11 subsection:

12 (i) is reduced dollar for dollar in the amount by which military
13 pay received by the individual exceeds \$15,000; and

14 (ii) is reduced to zero if the amount of military pay received by
15 the individual exceeds \$30,000.]

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2011, and shall be applicable to all taxable years beginning after December 31,
18 2010.