

HOUSE BILL 770

Q3
HB 503/13 – W&M

4lr1797

By: **Delegates Proctor, Minnick, Bates, Beidle, Beitzel, Bohanan, Cane, Cluster, Costa, DeBoy, Dwyer, Elliott, Frush, Gaines, George, Glass, Holmes, Howard, Hucker, Jameson, Kaiser, K. Kelly, Kipke, Love, McIntosh, O'Donnell, Olszewski, Rudolph, Sophocleus, Szeliga, Waldstreicher, Weir, and Wilson**

Introduced and read first time: February 3, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Military Retirement Income**

3 FOR the purpose of altering a subtraction modification under the State income tax for
4 certain military retirement income; providing for the application of this Act;
5 providing for a delayed effective date; and generally relating to the State income
6 taxation of certain retirement income.

7 BY repealing and reenacting, without amendments,
8 Article – Tax – General
9 Section 10–207(a)
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2013 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Tax – General
14 Section 10–207(q)
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2013 Supplement)

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

19 **Article – Tax – General**

20 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 (q) (1) (i) In this subsection the following words have the meanings
5 indicated.

6 (ii) "Military service" means:

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

10 2. membership in a reserve component of the armed
11 forces of the United States;

12 3. membership in an active component of the armed
13 forces of the United States;

14 4. membership in the Maryland National Guard; or

15 5. active duty with the commissioned corps of the Public
16 Health Service, the National Oceanic and Atmospheric Administration, or the Coast
17 and Geodetic Survey.

18 (iii) "Military retirement income" means retirement income
19 received as a result of military service.

20 (2) The subtraction under subsection (a) of this section includes the
21 first ~~[\$5,000]~~ **\$10,000** of military retirement income received by an individual during
22 the taxable year.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2015, and shall be applicable to all taxable years beginning after December 31,
25 2015.