

SENATE BILL 67

Q3
SB 192/16 – B&T

(PRE-FILED)

7lr0904

By: **Senator Waugh**

Requested: October 18, 2016

Introduced and read first time: January 11, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Compensation**

3 FOR the purpose of altering a subtraction modification under the Maryland income tax for
4 certain military compensation to repeal a requirement that the compensation be
5 attributable to military service of the individual outside the United States; repealing
6 a certain limitation on the amount of the subtraction modification; providing for the
7 application of this Act; and generally relating to the taxation of certain military
8 compensation.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–207(p)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2016 Supplement)

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

21 **Article – Tax – General**

22 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 under
2 this section are subtracted from the federal adjusted gross income of a resident to determine
3 Maryland adjusted gross income.

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

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

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

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

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

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

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.