

SENATE BILL 258

Q3

7lr1918

By: **Senator Astle**

Introduced and read first time: January 20, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 28, 2017

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Police Auxiliaries or Reserve**
3 **Volunteers**

4 FOR the purpose of altering the amount of a subtraction modification under the State
5 income tax for certain qualifying police auxiliaries or reserve volunteers; and
6 generally relating to a subtraction modification under the State income tax for police
7 auxiliaries or reserve volunteers.

8 BY repealing and reenacting, without amendments,

9 Article – Tax – General

10 Section 10–208(a)

11 Annotated Code of Maryland

12 (2016 Replacement Volume)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – General

15 Section 10–208(l)

16 Annotated Code of Maryland

17 (2016 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Tax – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 10–208.

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

5 (1) (1) The subtraction under subsection (a) of this section includes an amount
6 equal to **[\$3,500] THE AMOUNT SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION** if
7 an individual is a qualifying police auxiliary or reserve volunteer for the taxable year, as
8 determined under paragraph (2) of this subsection.

9 (2) An individual is a qualifying police auxiliary or reserve volunteer for
10 the taxable year eligible for the subtraction modification under this subsection if the
11 individual:

12 (i) is an active member of a bona fide Maryland police agency;

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

15 (iii) 1. qualifies for active status during the taxable year under a
16 police auxiliary or reserve volunteer program approved by the Police Training Commission
17 in conjunction with the Maryland Association of Counties and the Maryland Municipal
18 League, that includes uniform systems for qualification and record keeping, if the program
19 is incorporated into the police agency's rules and regulations;

20 2. has maintained active status for at least 25 years under
21 the police auxiliary or reserve volunteer program;

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

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

29 (iv) will have been an active member of a bona fide police agency for
30 at least 72 months during the last 10 calendar years by December 31 of the taxable year.

31 **(3) THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1) OF**
32 **THIS SUBSECTION IS EQUAL TO:**

33 **(I) \$4,500 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
34 **31, 2016, BUT BEFORE JANUARY 1, 2018;**

1 (II) **\$4,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
2 **31, 2017, BUT BEFORE JANUARY 1, 2019; AND**

3 (III) **\$5,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
4 **31, 2018.**

5 **[(3)] (4)** Each police agency shall:

6 (i) maintain a record of the activities of each police auxiliary or
7 reserve volunteer during the calendar year;

8 (ii) provide each member a report by February 15 of the following
9 year indicating that the member qualified during the preceding calendar year; and

10 (iii) provide a report that includes the names, Social Security
11 numbers, and a certification that the individual qualified for the subtraction modification
12 under this section.

13 **[(4)] (5)** To qualify for the subtraction modification under this subsection,
14 an individual shall attach to the individual's income tax return a copy of the report provided
15 by the police agency under paragraph **[(3)] (4)** of this subsection.

16 **[(5)] (6)** On or before October 1 of each year, the police agency shall
17 submit to the Department of Public Safety and Correctional Services and the Office of the
18 Comptroller a report listing the names and Social Security numbers of individuals who
19 qualified for the subtraction modification under this subsection for the preceding taxable
20 year.

21 **[(6)] (7)** (i) A person may not knowingly make or cause any false
22 statement or report to be made in any application or in any document required under this
23 subsection.

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2017.