

**SB0996/109630/1**

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 996  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Zucker” and substitute “Zucker, Eckardt, and Kasemeyer”; strike beginning with “Military” in line 2 down through “Old” in line 3 and substitute “Retirement Income (Hometown Heroes and Veterans Act of 2018)”; in line 5, after “age;” insert “providing a subtraction modification under the Maryland income tax under certain circumstances for a certain amount of retirement income attributable to certain employment as a correctional officer; defining a certain term;”; and in line 15, after “10–207(q)” insert “and 10–209”.

AMENDMENT NO. 2

On page 2, in lines 21 and 23, in each instance, strike “65” and substitute “**55**”.

AMENDMENT NO. 3

On page 2, after line 25, insert:

“10–209.

(a) (1) In this section the following words have the meanings indicated.

(2) “CORRECTIONAL OFFICER” MEANS AN INDIVIDUAL WHO:

(1) WAS EMPLOYED IN:

1. A STATE CORRECTIONAL FACILITY, AS DEFINED IN § 1–101 OF THE CORRECTIONAL SERVICES ARTICLE;

(Over)

2. A LOCAL CORRECTIONAL FACILITY, AS DEFINED IN § 1-101 OF THE CORRECTIONAL SERVICES ARTICLE;

3. A JUVENILE DETENTION FACILITY IN THE STATE;  
OR

4. A FACILITY OF THE UNITED STATES THAT IS EQUIVALENT TO A STATE OR LOCAL CORRECTIONAL FACILITY OR A JUVENILE DETENTION FACILITY IN THE STATE; AND

(II) IS ELIGIBLE TO RECEIVE RETIREMENT INCOME ATTRIBUTABLE TO THE INDIVIDUAL'S EMPLOYMENT UNDER ITEM (I) OF THIS PARAGRAPH.

[(2)] (3) "Emergency services personnel" means emergency medical technicians or paramedics.

[(3)](4) (i) "Employee retirement system" means a plan:  
1. established and maintained by an employer for the benefit of its employees; and  
2. qualified under § 401(a), § 403, or § 457(b) of the Internal Revenue Code.

(ii) "Employee retirement system" does not include:  
1. an individual retirement account or annuity under § 408 of the Internal Revenue Code;

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2. a Roth individual retirement account under § 408A of the Internal Revenue Code;
3. a rollover individual retirement account;
4. a simplified employee pension under Internal Revenue Code § 408(k); or
5. an ineligible deferred compensation plan under § 457(f) of the Internal Revenue Code.

(b) Subject to subsections (d) and (e) of this section, to determine Maryland adjusted gross income, if, on the last day of the taxable year, a resident is at least 65 years old or is totally disabled or the resident's spouse is totally disabled, or the resident is at least 55 years old and is a retired **CORRECTIONAL OFFICER OR** law enforcement officer or fire, rescue, or emergency services personnel of the United States, the State, or a political subdivision of the State, an amount is subtracted from federal adjusted gross income equal to the lesser of:

(1) the cumulative or total annuity, pension, or endowment income from an employee retirement system included in federal adjusted gross income; or

(2) the maximum annual benefit under the Social Security Act computed under subsection (c) of this section, less any payment received as old age, survivors, or disability benefits under the Social Security Act, the Railroad Retirement Act, or both.

(c) For purposes of subsection (b)(2) of this section, the Comptroller:

(1) shall determine the maximum annual benefit under the Social Security Act allowed for an individual who retired at age 65 for the prior calendar year; and

(Over)

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(2) may allow the subtraction to the nearest \$100.

(d) Military retirement income that is included in the subtraction under § 10–207(q) of this subtitle may not be taken into account for purposes of the subtraction under this section.

(e) In the case of a retired **CORRECTIONAL OFFICER OR** law enforcement officer or fire, rescue, or emergency services personnel of the United States, the State, or a political subdivision of the State, the amount included under subsection (b)(1) of this section is limited to the first \$15,000 of retirement income that is attributable to the resident's employment as a law enforcement officer or fire, rescue, or emergency services personnel of the United States, the State, or a political subdivision of the State unless:

(1) the resident is at least 65 years old or is totally disabled; or

(2) the resident's spouse is totally disabled."