

HOUSE BILL 12

Q3

8lr1073

(PRE-FILED)

By: **Delegate Brooks**

Requested: November 3, 2017

Introduced and read first time: January 10, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the amount of a subtraction modification under the Maryland
4 income tax for certain military retirement income for individuals who are at least a
5 certain age; providing for the application of this Act; and generally relating to a
6 subtraction modification for military retirement income.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – General

9 Section 10–207(a)

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – General

14 Section 10–207(q)

15 Annotated Code of Maryland

16 (2016 Replacement Volume and 2017 Supplement)

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

18 That the Laws of Maryland read as follows:

19 **Article – Tax – General**

20 10–207.

21 (a) To the extent included in federal adjusted gross income, the amounts under
22 this section are subtracted from the federal adjusted gross income of a resident to determine
23 Maryland adjusted gross income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (ii) "Military retirement income" means retirement income received
4 as a result of military service.

5 (iii) "Military service" means:

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

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

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

13 4. membership in the Maryland National Guard; or

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

17 (2) The subtraction under subsection (a) of this section includes:

18 (i) if, on the last day of the taxable year, the individual is under the
19 age of ~~[65]~~ 45 years, the first \$5,000 of military retirement income received by an individual
20 during the taxable year; ~~[and]~~

21 **(II) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE**
22 **INDIVIDUAL IS AT LEAST 45 YEARS OLD BUT UNDER THE AGE OF 50 YEARS, THE**
23 **FIRST \$6,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL**
24 **DURING THE TAXABLE YEAR;**

25 **(III) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE**
26 **INDIVIDUAL IS AT LEAST 50 YEARS OLD BUT UNDER THE AGE OF 55 YEARS, THE**
27 **FIRST \$7,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL**
28 **DURING THE TAXABLE YEAR;**

29 **(IV) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE**
30 **INDIVIDUAL IS AT LEAST 55 YEARS OLD BUT UNDER THE AGE OF 60 YEARS, THE**
31 **FIRST \$8,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL**
32 **DURING THE TAXABLE YEAR;**

1 **(V) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE**
2 **INDIVIDUAL IS AT LEAST 60 YEARS OLD BUT UNDER THE AGE OF 65 YEARS, THE**
3 **FIRST \$9,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL**
4 **DURING THE TAXABLE YEAR; AND**

5 **[(ii)] (VI)** if, on the last day of the taxable year, the individual is at
6 least 65 years old, the first \$10,000 of military retirement income received by an individual
7 during the taxable year.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.