

SENATE BILL 388

Q3

8lr2652
CF HB 37

By: **Senators Middleton, Astle, Feldman, Guzzone, Hershey, Jennings, Klausmeier, Mathias, Oaks, Peters, Reilly, Rosapepe, ~~and Zucker~~ Zucker, Edwards, and Muse**

Introduced and read first time: January 25, 2018
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2018

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Volunteer Fire, Rescue, ~~or~~ and**
3 **Emergency Medical Services ~~Membership~~ Members**

4 FOR the purpose of altering the amount of a subtraction modification under the ~~Maryland~~
5 State income tax for certain qualifying volunteer fire, rescue, and emergency medical
6 services members; and generally relating to a subtraction modification under the
7 State income tax for qualifying volunteer fire, rescue, and emergency medical
8 services members.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–208(a)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2017 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–208(i–1)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2017 Supplement)

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

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 **Article – Tax – General**

2 10–208.

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

6 (i–1) (1) The subtraction under subsection (a) of this section includes an amount
7 equal to the amount specified in paragraph (3) of this subsection if an individual is a
8 qualifying volunteer fire, rescue, or emergency medical services member for the taxable
9 year, as determined under paragraph (2) of this subsection.

10 (2) An individual is a qualifying volunteer fire, rescue, or emergency
11 medical services member for the taxable year eligible for the subtraction modification under
12 this subsection if the individual:

13 (i) is an active member of:

14 1. a bona fide Maryland fire, rescue, or emergency medical
15 services organization;

16 2. an auxiliary organization of a bona fide Maryland fire,
17 rescue, or emergency medical services organization;

18 3. the United States Coast Guard Auxiliary;

19 4. the Maryland Defense Force; or

20 5. the Maryland Civil Air Patrol;

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

23 (iii) 1. qualifies for active status during the taxable year under:

24 A. a volunteer fire, rescue, or emergency medical services
25 personnel or auxiliary length of service award program operated by a county or municipal
26 corporation of the State, if the length of service award program requires for active status
27 qualification a minimum of 50 points per year and that points be earned in at least two
28 different categories; or

29 B. a point system established by a county or municipal
30 corporation that does not operate a volunteer fire, rescue, or emergency medical services
31 personnel or auxiliary length of service award program or by the United States Coast Guard
32 Auxiliary, the Maryland Defense Force, or the Maryland Civil Air Patrol, to identify active

1 members of a volunteer fire, rescue, or emergency medical services organization or
 2 auxiliary organization, if the point system requires for active status qualification a
 3 minimum of 50 points per year and that points be earned in at least two different categories;

4 2. has maintained active status for at least 25 years under a
 5 volunteer fire, rescue, or emergency medical services personnel or auxiliary length of
 6 service award program or a point system established in lieu of a length of service award
 7 program;

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

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

15 (iv) will have been an active member of a bona fide Maryland fire,
 16 rescue, or emergency medical services organization, an auxiliary organization of a bona fide
 17 Maryland fire, rescue, or emergency medical services organization, or the United States
 18 Coast Guard Auxiliary, the Maryland Defense Force, or the Maryland Civil Air Patrol for
 19 at least 36 months during the last 10 calendar years by December 31 of the taxable year.

20 (3) ~~(i)~~ ~~[(The) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS~~
 21 ~~PARAGRAPH, THE~~ amount of the subtraction under paragraph (1) of this subsection is
 22 equal to:

23 ~~[(i)] 1. \$3,750 for a taxable year beginning after December 31,~~
 24 ~~2013, but before January 1, 2015;~~

25 ~~[(ii)] 2. \$4,000 for a taxable year beginning after December 31,~~
 26 ~~2014, but before January 1, 2016;~~

27 ~~[(iii)] 3. \$4,250 for a taxable year beginning after December 31,~~
 28 ~~2015, but before January 1, 2017;~~

29 ~~[(iv)] 4. \$4,500 for a taxable year beginning after December 31,~~
 30 ~~2016, but before January 1, 2018;~~

31 ~~[(v)] 5. \$4,750 for a taxable year beginning after December 31,~~
 32 ~~2017, but before January 1, 2019; and~~

33 ~~[(vi)] 6. (II)~~ \$5,000 for a taxable year beginning after December
 34 31, 2018, BUT BEFORE JANUARY 1, 2020;

1 (III) \$6,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER
 2 31, 2019, BUT BEFORE JANUARY 1, 2021;

3 (IV) \$6,500 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER
 4 31, 2020, BUT BEFORE JANUARY 1, 2022; AND

5 (V) \$7,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER
 6 31, 2021.

7 ~~(H) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,~~
 8 ~~2017, THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS~~
 9 ~~SUBSECTION IS EQUAL TO \$15,000 FOR AN INDIVIDUAL WHO:~~

10 ~~1. IS AT LEAST 60 BUT LESS THAN 65 YEARS OLD ON THE~~
 11 ~~LAST DAY OF THE TAXABLE YEAR; AND~~

12 ~~2. HAS MAINTAINED ACTIVE STATUS FOR AT LEAST 25~~
 13 ~~YEARS UNDER A VOLUNTEER FIRE, RESCUE, OR EMERGENCY MEDICAL SERVICES~~
 14 ~~PERSONNEL OR AUXILIARY LENGTH OF SERVICE AWARD PROGRAM OR A POINT~~
 15 ~~SYSTEM ESTABLISHED IN LIEU OF A LENGTH OF SERVICE AWARD PROGRAM.~~

16 (4) (i) Each fire, rescue, or emergency medical services organization or
 17 auxiliary organization shall:

18 1. maintain a record of the points earned by each individual
 19 during each calendar year;

20 2. provide each member a report identifying the number of
 21 points earned in each category by February 15 of the following year; and

22 3. provide a report that includes the names, Social Security
 23 numbers, and points earned by those members qualifying for the subtraction modification
 24 under this subsection to the Maryland State Firemen's Association by May 1 of the
 25 following year.

26 (ii) An individual may not qualify for the subtraction under this
 27 subsection based on membership in the United States Coast Guard Auxiliary, the Maryland
 28 Defense Force, or the Maryland Civil Air Patrol unless the United States Coast Guard
 29 Auxiliary, the Maryland Defense Force, or the Maryland Civil Air Patrol:

30 1. maintains a record of the points earned by each individual
 31 during each calendar year;

32 2. provides each member a report identifying the number of
 33 points earned in each category by February 15 of the following year; and

1 3. provides a report that includes the names, Social Security
2 numbers, and points earned by those members qualifying for the subtraction modification
3 under this subsection to the Comptroller on or before October 1 of each year.

4 (5) To qualify for the subtraction modification under this subsection, an
5 individual shall attach to the individual’s income tax return a copy of the report provided
6 by the organization under paragraph (4) of this subsection.

7 (6) On or before October 1 of each year, the Maryland State Firemen’s
8 Association shall submit to the Department of Public Safety and Correctional Services and
9 the Office of the Comptroller a report stating the participation in the point system by the
10 various local subdivisions with the names and Social Security numbers of individuals who
11 qualified for the subtraction modification under this subsection for the preceding taxable
12 year.

13 (7) (i) A person may not knowingly make or cause any false statement
14 or report to be made in any application or in any document required under this subsection.

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.