

SENATE BILL 996

Q3
SB 295/17 – B&T

8lr2160

By: **Senators Peters, Astle, Benson, Cassilly, Currie, DeGrange, Edwards, Feldman, Guzzone, Kagan, Kelley, King, Klausmeier, Madaleno, Manno, Mathias, Middleton, Muse, Norman, Rosapepe, Serafini, Simonaire, Smith, Young, and Zucker**

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement Income –**
3 **Individuals at Least 65 Years Old**

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

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2016 Replacement Volume and 2017 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(q)
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2017 Supplement)

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**

21 10–207.

22 (a) To the extent included in federal adjusted gross income, the amounts under

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

7 (iii) "Military service" means:

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

11 2. membership in a reserve component of the armed forces of
12 the United States;

13 3. membership in an active component of the armed forces of
14 the United States;

15 4. membership in the Maryland National Guard; or

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

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

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

23 (ii) if, on the last day of the taxable year, the individual is at least 65
24 years old, the first **[\$10,000] \$15,000** of military retirement income received by an
25 individual during the taxable year.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.