

HOUSE BILL 1093

Q3

9lr2748

By: Delegates P. Young and Lisanti, Lisanti, Kaiser, Walker, D. Barnes, Boteler, Buckel, Cain, Ebersole, Feldmark, Guyton, Hornberger, Ivey, Long, Luedtke, Mosby, Palakovich Carr, Patterson, Reilly, Rose, Shoemaker, Turner, Washington, and Wilkins

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2019

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of including income from certain death benefits within a certain
4 subtraction modification allowed under the Maryland income tax for certain military
5 retirement income; providing for the application of this Act; and generally relating
6 to subtraction modifications under the Maryland income tax for military retirement
7 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 2018 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 2018 Supplement)

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

19 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.



Article – Tax – General

1

2 10–207.

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

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

8 (ii) “Military retirement income” means retirement income,
9 **INCLUDING DEATH BENEFITS**, received as a result of military service.

10 (iii) “Military service” means:

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

14 2. membership in a reserve component of the armed forces of
15 the United States;

16 3. membership in an active component of the armed forces of
17 the United States;

18 4. membership in the Maryland National Guard; or

19 5. active duty with the commissioned corps of the Public
20 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and
21 Geodetic Survey.

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

23 (i) if, on the last day of the taxable year, the individual is under the
24 age of 55 years, the first \$5,000 of military retirement income received by an individual
25 during the taxable year; and

26 (ii) if, on the last day of the taxable year, the individual is at least 55
27 years old, the first \$15,000 of military retirement income received by an individual during
28 the taxable year.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018.