

# HOUSE BILL 1440

Q3  
HB 361/20 – W&M

2lr3008

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By: **Delegates Saab, Howard, Munoz, and Rogers**

Introduced and read first time: February 22, 2022

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement**  
3 **(Tax Relief for Military Retirees Act of 2022)**

4 FOR the purpose of altering for certain taxable years a certain limitation on a subtraction  
5 modification under the Maryland income tax for certain military retirement income;  
6 and generally relating to a subtraction modification under the Maryland income tax  
7 for military 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 2021 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 2021 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  
23 this section are subtracted from the federal adjusted gross income of a resident to determine  
24 Maryland adjusted gross income.

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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,  
4 including death benefits, received 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 55 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 individual is at least 55  
22 years old, the first \$15,000 of military retirement income received by an individual during  
23 the taxable year.]

24 **(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**  
25 **2021, BUT BEFORE JANUARY 1, 2023, THE GREATER OF \$15,000 OR 50% OF THE**  
26 **AMOUNT OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING**  
27 **THAT TAXABLE YEAR; AND**

28 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**  
29 **2022, ALL MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING**  
30 **THAT TAXABLE YEAR.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
32 1, 2022.