

SENATE BILL 117

Q3

2lr1026

(PRE-FILED)

By: **Senator Bailey**

Requested: October 28, 2021

Introduced and read first time: January 12, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2022

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Police Auxiliaries and Reserve**

3 FOR the purpose of increasing a subtraction modification under the Maryland income tax
4 for an individual who is a qualifying police auxiliary or reserve volunteer; and
5 generally relating to a subtraction modification under the Maryland income tax for
6 an individual who is a qualifying police auxiliary or reserve volunteer.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – General

9 Section 10–208(a)

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2021 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – General

14 Section 10–208(l)

15 Annotated Code of Maryland

16 (2016 Replacement Volume and 2021 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**

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 10–208.

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

5 (1) (1) The subtraction under subsection (a) of this section includes an amount
6 equal to the amount specified in paragraph (3) of this subsection if an individual is a
7 qualifying police auxiliary or reserve volunteer for the taxable year, as determined under
8 paragraph (2) of this subsection.

9 (2) An individual is a qualifying police auxiliary or reserve volunteer for
10 the taxable year eligible for the subtraction modification under this subsection if the
11 individual:

12 (i) is an active member of a bona fide Maryland police agency;

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

15 (iii) 1. qualifies for active status during the taxable year under a
16 police auxiliary or reserve volunteer program approved by the Police Training and
17 Standards Commission in conjunction with the Maryland Association of Counties and the
18 Maryland Municipal League, that includes uniform systems for qualification and record
19 keeping, if the program is incorporated into the police agency's rules and regulations;

20 2. has maintained active status for at least 25 years under
21 the police auxiliary or reserve volunteer program;

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

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

29 (iv) will have been an active member of a bona fide police agency for
30 at least 36 months during the last 10 calendar years by December 31 of the taxable year.

31 (3) The amount of the subtraction under paragraph (1) of this subsection is
32 equal to:

33 (i) \$4,500 for a taxable year beginning after December 31, 2016, but
34 before January 1, 2018;

1 (ii) \$4,750 for a taxable year beginning after December 31, 2017, but
2 before January 1, 2019; [and]

3 (iii) \$5,000 for a taxable year beginning after December 31, 2018,
4 **BUT BEFORE JANUARY 1, 2022; ~~AND~~**

5 **(IV) \$7,000 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
6 **31, 2021, BUT BEFORE JANUARY 1, 2023; AND**

7 **(V) \$10,000 FOR A TAXABLE YEAR BEGINNING AFTER**
8 **DECEMBER 31, 2022.**

9 (4) Each police agency shall:

10 (i) maintain a record of the activities of each police auxiliary or
11 reserve volunteer during the calendar year;

12 (ii) provide each member a report by February 15 of the following
13 year indicating that the member qualified during the preceding calendar year; and

14 (iii) provide a report that includes the names, Social Security
15 numbers, and a certification that the individual qualified for the subtraction modification
16 under this section.

17 (5) To qualify for the subtraction modification under this subsection, an
18 individual shall attach to the individual's income tax return a copy of the report provided
19 by the police agency under paragraph (4) of this subsection.

20 (6) On or before October 1 of each year, the police agency shall submit to
21 the Department of Public Safety and Correctional Services and the Office of the
22 Comptroller a report listing the names and Social Security numbers of individuals who
23 qualified for the subtraction modification under this subsection for the preceding taxable
24 year.

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

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2022.