

SENATE BILL 99

Q3

(PRE-FILED)

5lr1442
CF HB 60

By: **Senator Salling**

Requested: October 29, 2024

Introduced and read first time: January 8, 2025

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification for Military Retirement Income**
3 **(Keep Our Heroes Home Act)**

4 FOR the purpose of increasing the amount of a certain subtraction modification under the
5 Maryland income tax for certain military retirement income received by individuals,
6 regardless of age, during a taxable year for certain military service; and generally
7 relating to a subtraction modification under the Maryland income tax for military
8 retirement income.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a)
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–207(q)
17 Annotated Code of Maryland
18 (2022 Replacement Volume and 2024 Supplement)

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

21 **Article – Tax – General**

22 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

6 (ii) "Military retirement income" means retirement income,
7 including death benefits, received as a result of military service.

8 (iii) "Military service" means:

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

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

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

16 4. membership in the Maryland National Guard; or

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

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

21 [(i) if, on the last day of the taxable year, the individual is under the
22 age of 55 years, the first \$12,500 of military retirement income received by an individual
23 during the taxable year; and

24 (ii) if, on the last day of the taxable year, the individual is at least 55
25 years old, the first \$20,000 of military retirement income received by an individual during
26 the taxable year]

27 **(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
28 **2024, BUT BEFORE JANUARY 1, 2026, THE FIRST \$25,000 OF MILITARY RETIREMENT**
29 **INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR; AND**

30 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
31 **2025, THE FIRST \$40,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN**
32 **INDIVIDUAL DURING THE TAXABLE YEAR.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025.