

# SENATE BILL 278

P1, P6, P4

5lr0759  
CF HB 691

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By: Senators Simonaire, Salling, Jennings, Gallion, Mautz, ~~and Bailey~~ Bailey, Benson, Corderman, Guzzone, Hettleman, M. Jackson, King, Lewis Young, McCray, Rosapepe, ~~and Zucker~~ Zucker, and Hester

Introduced and read first time: January 10, 2025

Assigned to: Budget and Taxation and Education, Energy, and the Environment

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 24, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Tax Relief and ~~Pensions~~ State Personnel Equality for Service Members Act**

3 FOR the purpose of establishing rules of interpretation related to the uniformed services;  
4 altering the rule of interpretation for “veteran”; altering the application of certain  
5 provisions of law governing personnel, ~~pensions~~, and taxation to apply to all  
6 uniformed services, rather than only the armed forces; and generally relating to  
7 veterans and uniformed services.

8 BY adding to

9 Article – General Provisions

10 Section 1–101.1, 1–101.2, 1–103.1, 1–114.1, 1–114.2, and 1–116

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – General Provisions

15 Section 1–117

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, without amendments,

19 Article – Local Government

20 Section 1–101(a)

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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 Annotated Code of Maryland  
2 (2013 Volume and 2024 Supplement)
- 3 BY adding to  
4 Article – Local Government  
5 Section 1–101(k) and (l)  
6 Annotated Code of Maryland  
7 (2013 Volume and 2024 Supplement)
- 8 BY repealing and reenacting, with amendments,  
9 Article – Local Government  
10 Section 1–203 and 1–204(a) and (d)  
11 Annotated Code of Maryland  
12 (2013 Volume and 2024 Supplement)
- 13 BY repealing and reenacting, with amendments,  
14 Article – State Government  
15 Section 9–901  
16 Annotated Code of Maryland  
17 (2021 Replacement Volume and 2024 Supplement)
- 18 BY repealing and reenacting, without amendments,  
19 Article – State Personnel and Pensions  
20 Section 1–101(a), ~~and 9–1104(a), and 38–101(a)~~  
21 Annotated Code of Maryland  
22 (2024 Replacement Volume and 2024 Supplement)
- 23 BY adding to  
24 Article – State Personnel and Pensions  
25 Section 1–101(a–1), (a–2), (b–1), ~~(h–1)~~, (l–1), (r), and (s) ~~and 38–101(b–1) and (e–1)~~  
26 Annotated Code of Maryland  
27 (2024 Replacement Volume and 2024 Supplement)
- 28 BY repealing and reenacting, with amendments,  
29 Article – State Personnel and Pensions  
30 Section 2–701, 2–703, ~~2–704~~, ~~2–705(b)~~, ~~2–706(b) and (c)~~, 2–707(a), 7–203(b)(1)(i),  
31 7–207(c), ~~and 9–1104(b)(3), 38–101(d), 38–103(d), and 38–104(e)~~  
32 Annotated Code of Maryland  
33 (2024 Replacement Volume and 2024 Supplement)
- 34 BY repealing and reenacting, without amendments,  
35 Article – Tax – General  
36 Section 1–101(a), 10–101(a), 10–207(a), and 10–208(a) and (i–1)(2) and (4)  
37 Annotated Code of Maryland  
38 (2022 Replacement Volume and 2024 Supplement)
- 39 BY adding to

1 Article – Tax – General  
 2 Section 1–101(r–1), (x), and (y) and 10–101(a–1)  
 3 Annotated Code of Maryland  
 4 (2022 Replacement Volume and 2024 Supplement)

5 BY repealing and reenacting, with amendments,  
 6 Article – Tax – General  
 7 Section 10–207(p) and (q), 10–208(i–1)(3)(iii)3., 11–204(a)(8), 11–206(d)(2), and  
 8 13–908(b)  
 9 Annotated Code of Maryland  
 10 (2022 Replacement Volume and 2024 Supplement)

11 BY repealing and reenacting, without amendments,  
 12 Article – Tax – Property  
 13 Section 1–101(a), ~~7–208(a)(1) and (b)~~, 9–102(a)(1), (b), and (h), 9–258(a)(1), (2), and  
 14 (3)(v) and (b), ~~9–265(b)~~, 10–204(a) and (b)(1) and (3), and 10–204.2(a) and  
 15 (b)(1) and (3)  
 16 Annotated Code of Maryland  
 17 (2019 Replacement Volume and 2024 Supplement)

18 BY adding to  
 19 Article – Tax – Property  
 20 Section 1–101(a–1), (a–2), (hh–1), (jj–1), (oo–1), and (rr)  
 21 Annotated Code of Maryland  
 22 (2019 Replacement Volume and 2024 Supplement)

23 BY repealing and reenacting, with amendments,  
 24 Article – Tax – Property  
 25 Section ~~7–208(a)(2) and (3)~~, 9–102(a)(9)(ii)3., 9–219(a)(2)(iii), 9–258(a)(3)(ii) through  
 26 (iv), ~~9–265(a)~~, 10–204(b)(2)(ii)3., and 10–204.2(b)(2)(ii)3.  
 27 Annotated Code of Maryland  
 28 (2019 Replacement Volume and 2024 Supplement)

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

31 **Article – General Provisions**

32 **1–101.1.**

33 **“ACTIVE DUTY” HAS THE MEANING STATED IN § 9–901 OF THE STATE**  
 34 **GOVERNMENT ARTICLE.**

35 **1–101.2.**



1           **(K) “UNIFORMED SERVICES” HAS THE MEANING STATED IN § 9-901 OF THE**  
2 **STATE GOVERNMENT ARTICLE.**

3           **(L) “VETERAN” HAS THE MEANING STATED IN § 9-901 OF THE STATE**  
4 **GOVERNMENT ARTICLE.**

5 1-203.

6           (a) This section applies to the following governmental entities:

7               (1) counties;

8               (2) municipalities;

9               (3) bicounty agencies;

10              (4) county boards of education;

11              (5) public corporations;

12              (6) special taxing districts; and

13              (7) other political subdivisions of the State.

14           (b) Each governmental entity shall give its employees who return from [military]  
15 service in the [armed forces of the United States] **UNIFORMED SERVICES** the same  
16 reemployment rights as provided for State employees under Title 2, Subtitle 7 of the State  
17 Personnel and Pensions Article.

18 1-204.

19           (a) If a municipality, county, or other political subdivision of the State makes  
20 appointments to government positions under a civil service or merit system law or  
21 ordinance, the unit that provides eligibility lists for appointments shall adopt rules or  
22 regulations to grant special credit to ~~¶~~honorably discharged veterans [of the armed forces  
23 of the United States] who have been residents of the State for at least 5 years immediately  
24 preceding the date on which the veteran takes a merit system examination.

25           (d) **(1) IN THIS SUBSECTION, “HEALTH EMERGENCY” INCLUDES:**

26                       **(I) A NATIONAL EMERGENCY DECLARED BY THE PRESIDENT OF**  
27 **THE UNITED STATES UNDER THE NATIONAL EMERGENCIES ACT;**

28                       **(II) AN EMERGENCY OR MAJOR DISASTER DECLARED BY THE**  
29 **PRESIDENT OF THE UNITED STATES UNDER THE ROBERT T. STAFFORD DISASTER**  
30 **RELIEF AND EMERGENCY ASSISTANCE ACT;**

1                   **(III) A PUBLIC HEALTH EMERGENCY DECLARED BY THE**  
2 **SECRETARY OF HEALTH AND HUMAN SERVICES UNDER 42 U.S.C. § 247D; AND**

3                   **(IV) A CATASTROPHIC HEALTH EMERGENCY DECLARED BY THE**  
4 **GOVERNOR UNDER § 14-3A-02 OF THE PUBLIC SAFETY ARTICLE.**

5                   **(2) The unit may exempt war OR HEALTH EMERGENCY veterans under**  
6 **the age of 55 years from any age limitation or requirement.**

7   **Article – State Government**

8 9–901.

9           (a) In this subtitle the following words have the meanings indicated.

10           **(B) “ACTIVE DUTY” HAS THE MEANING STATED IN 37 U.S.C. § 101.**

11           **(C) “ACTIVE SERVICE MEMBER” MEANS AN INDIVIDUAL WHO IS:**

12                   **(1) AN ACTIVE DUTY MEMBER OF THE UNIFORMED SERVICES; OR**

13                   **(2) SERVING IN A RESERVE COMPONENT OF THE UNIFORMED**  
14 **SERVICES ON ACTIVE DUTY ORDERS.**

15           **(D) “ARMED FORCES” HAS THE MEANING STATED IN 10 U.S.C. § 101.**

16           **[(b)] (E) “Board” means the Board of Trustees of the Maryland Veterans Trust.**

17           **[(c)] (F) “Department” means the Department of Veterans and Military**  
18 **Families.**

19           **(G) “MILITARY FAMILY” INCLUDES THE SPOUSE AND DEPENDENT**  
20 **CHILDREN OF A SERVICE MEMBER OR VETERAN RELATED BY BLOOD, MARRIAGE, OR**  
21 **ADOPTION.**

22           **(H) “RESERVE COMPONENT” HAS THE MEANING STATED IN 37 U.S.C. § 101.**

23           **[(d)] (I) “Secretary” means the Secretary of Veterans and Military Families.**

24           **(J) “SERVICE MEMBER” MEANS AN INDIVIDUAL WHO IS A MEMBER OF:**

25                   **(1) THE UNIFORMED SERVICES; OR**

26                   **(2) A RESERVE COMPONENT OF THE UNIFORMED SERVICES.**



~~(5) ACTIVE DUTY WITH THE COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE, THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, OR THE COAST AND GEODETIC SURVEY.~~

(L-1) "RESERVE COMPONENT" HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

(R) "UNIFORMED SERVICES" HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

(S) "VETERAN" HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

2-701.

(A) In this subtitle, ~~"returning veteran"~~ THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) "RETURNING VETERAN" means an individual who left State employment to perform ~~military~~ service IN THE UNIFORMED SERVICES [in the armed forces of the United States] and who seeks reinstatement to State employment; and

(2) "RETURNING VETERAN" does not include an individual who left State employment while serving as a temporary employee.

(C) "SERVICE IN THE UNIFORMED SERVICES" HAS THE MEANING STATED IN 38 U.S.C. § 4303.

2-703.

~~[(a)]~~ A returning veteran ~~[who was inducted into the armed forces]~~ is eligible for reinstatement under this subtitle if the veteran:

(1) performed military service of a nature and length that meet the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. § 4301 et seq., and any subsequent federal law governing reemployment of a returning veteran; ~~AND~~

(2) ~~[~~received a certificate of satisfactory completion of military service; and

(3) ~~]~~ except as otherwise provided in § 2-704 of this subtitle, submits an application for reinstatement within 90 days after the veteran is discharged from ~~[that]~~ military service.



1 (b) A returning veteran who enlisted in the armed forces is eligible for  
2 reinstatement under this subtitle if the veteran:

3 (1) performed military service of a nature and length that meet the  
4 requirements of the Uniformed Services Employment and Reemployment Rights Act of  
5 1994, 38 U.S.C. § 4301 et seq., and any subsequent federal law governing reemployment of  
6 a returning veteran;

7 (2) was released from service under honorable conditions; and

8 (3) except as otherwise provided in § 2-704 of this subtitle, submits an  
9 application for reinstatement within 90 days after the end of the enlistment period.

10 (c) A returning veteran who was called to active ~~military~~ duty in the ~~armed forces~~  
11 **UNIFORMED SERVICES** is eligible for reinstatement under this subtitle if the veteran:

12 (1) performed ~~military~~ service **IN THE UNIFORMED SERVICES** of a nature  
13 and length that meet the requirements of the Uniformed Services Employment and  
14 Reemployment Rights Act of 1994, 38 U.S.C. § 4301 et seq., and any subsequent federal  
15 law governing reemployment of a returning veteran;

16 (2) was relieved from active duty under honorable conditions; and

17 (3) except as otherwise provided in § 2-704 of this subtitle, submits an  
18 application for reinstatement within 90 days after the veteran is relieved from that duty.†

19 ~~2-704.~~

20 ~~An otherwise eligible returning veteran who was hospitalized at the time of~~  
21 ~~discharge, end of enlistment, or relief from active duty] FROM MILITARY SERVICE may~~  
22 ~~apply for reinstatement if:~~

23 (1) ~~the application is submitted within 90 days after the returning veteran~~  
24 ~~is discharged from the hospital; and~~

25 (2) ~~the hospitalization does not last more than 1 year from the date of~~  
26 ~~discharge, end of enlistment, or relief from active duty] FROM MILITARY SERVICE.~~

27 ~~2-705.~~

28 (b) If, because of a disability sustained during [military] service IN THE  
29 UNIFORMED SERVICES, a returning veteran is not qualified to perform the duties of the  
30 position that the veteran previously held, the returning veteran shall be reinstated to a  
31 position that:

32 (1) has duties that the veteran is qualified to perform; and

1           (2) provides the rate of pay, seniority, and status that are the same as or  
2 as similar as the circumstances of the case allow to those of the position previously held by  
3 the veteran.

4 2-706.

5           (b) In calculating seniority, status, and length of State employment of a returning  
6 veteran who is reinstated under this subtitle, the period from the day the veteran entered  
7 [military] service IN THE UNIFORMED SERVICES to the day that the veteran is reinstated  
8 shall be added to the period of the veteran's State employment.

9           (c) A returning veteran who is reinstated under this subtitle is entitled to:

10           (1) all benefits and privileges, including rate of pay, that result from the  
11 additional seniority and status credited under subsection (b) of this section;

12           (2) pension and retirement rights as determined under Title 38, Subtitle 1  
13 of this article; and

14           (3) any service status that the veteran had when the veteran entered  
15 [military] service IN THE UNIFORMED SERVICES, with adjustments to reflect the  
16 additional seniority credited under subsection (b) of this section.

17 2-707.

18           (a) A member of a reserve component [of the armed forces of the United States]  
19 is eligible for the reinstatement rights and benefits specified in §§ 2-705 and 2-706(a), (b),  
20 and (c) of this subtitle if the reservist:

21           (1) performed active duty for training of a nature and length that meet the  
22 requirements for eligibility under Title 38 U.S.C. § 4301 et seq.;

23           (2) was released from that duty after satisfactory service; and

24           (3) except as provided in subsection (b) of this section, submits an  
25 application for reinstatement within 31 days after the reservist was released from that  
26 duty.

27 7-203.

28           (b) (1) An appointing authority may select a disabled veteran for a position if:

29                   (i) the disabled veteran:

30                           1. [served in any branch of the armed forces of the United  
31 States] IS A VETERAN; and

1                                   2.     A.     is included on a United States [armed forces]  
2 **UNIFORMED SERVICES** permanent disability list with a disability rating of at least 30%;  
3 or

4                                   B.     has been rated by the United States Department of  
5 Veterans Affairs as having a compensable service-connected disability of at least 30%;

6 7–207.

7           (c)   (1)   ~~{(i)}~~ In this subsection ~~{the following words have the meanings~~  
8 indicated.

9                                   (ii)   “Eligible~~}, “~~ELIGIBLE~~ spouse” means **SPOUSE” MEANS** an  
10 individual who is married to [a full-time] **AN** active [duty] **SERVICE** member [of any  
11 branch of the uniformed services of the United States].~~

12                                   ~~{(iii) “Eligible veteran” means a veteran of any branch of the~~  
13 ~~uniformed services of the United States who has received an honorable discharge or a~~  
14 ~~certificate of satisfactory completion of service, including the National Guard and the~~  
15 ~~military reserves~~ **A RESERVE COMPONENT.**

16                                   (2)   (i)    An appointing authority shall apply a credit of 10 points on any  
17 selection test for:

18   1.     an eligible spouse;

19   2.     ~~{an eligible}~~ **A** veteran;

20   3.     the spouse of ~~{an eligible}~~ **A** veteran who has a service  
21 connected disability; or

22   4.     the surviving spouse of a deceased ~~{eligible}~~ veteran.

23                                   (ii)   An appointing authority shall apply a credit of two additional  
24 points on any selection test for a former prisoner of war.

25                                   (3)   The following applicants are ineligible for a credit under this  
26 subsection:

27   (i)    a current State employee; and

28   (ii)   ~~{an eligible}~~ **A** veteran who is convicted of a crime after being  
29 discharged from or completing military service.

30 9–1104.

1 (a) In this section, “uniformed services” has the meaning stated in 38 U.S.C. §  
2 4303 and 20 C.F.R. § 1002.5(o).

3 (b) The Secretary may provide by regulation for leave with pay:

4 (3) up to 30 days for uniformed services training or active uniformed  
5 services duty in a reserve [unit of the armed forces] COMPONENT or in the organized  
6 militia;

7 ~~38-101.~~

8 ~~(a) In this subtitle the following words have the meanings indicated.~~

9 ~~(B-1) “ARMED FORCES” HAS THE MEANING STATED IN § 9-901 OF THE STATE~~  
10 ~~GOVERNMENT ARTICLE.~~

11 ~~(d) “Military service” means:~~

12 ~~(1) induction into the armed forces [of the United States] for training and~~  
13 ~~service under the Selective Training and Service Act of 1940 or a subsequent act of a similar~~  
14 ~~nature;~~

15 ~~(2) membership in a reserve component [of the armed forces of the United~~  
16 ~~States];~~

17 ~~(i) on active duty or ordered or assigned to active duty; or~~

18 ~~(ii) on active duty for training or inactive duty for training that~~  
19 ~~interrupts a member’s service;~~

20 ~~(3) [enlistment into] MEMBERSHIP IN AN ACTIVE COMPONENT OF the~~  
21 ~~armed forces [of the United States];~~

22 ~~(4) membership in the Maryland National Guard; or~~

23 ~~(5) active duty with the commissioned corps of the Public Health Service,~~  
24 ~~the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey.~~

25 ~~(E-1) “RESERVE COMPONENT” HAS THE MEANING STATED IN § 9-901 OF THE~~  
26 ~~STATE GOVERNMENT ARTICLE.~~

27 ~~38-103.~~

1           ~~(d) (1) Subject to paragraph (2)(i) of this subsection, a member of a State or~~  
2 ~~local retirement or pension system shall receive service credit for a period of absence from~~  
3 ~~employment while in military service if:~~

4                     ~~(i) the employment of the member under subsection (a)(2) of this~~  
5 ~~section is active or the employee is reinstated as a regular employee on a leave of absence;~~  
6 ~~and~~

7                     ~~(ii) membership in a State or local retirement or pension system is a~~  
8 ~~requirement of employment.~~

9           ~~(2) (i) For an absence for military service, service credit for the military~~  
10 ~~service may not exceed 5 years.~~

11                     ~~(ii) 1. This subparagraph applies only to a member of a State~~  
12 ~~system.~~

13                     ~~2. Subject to subparagraph (i) of this paragraph and in~~  
14 ~~addition to any service credit received under paragraph (1) of this subsection, a member of~~  
15 ~~[the Maryland National Guard or of] a reserve component [of the armed forces of the~~  
16 ~~United States who has been activated under Title 10 of the United States Code and] who~~  
17 ~~is on OFFICIAL ORDERS FOR active or inactive duty for training that interrupts the~~  
18 ~~member's service shall receive service credit at the rate of 4 months for each full year for~~  
19 ~~military service, not to exceed a total of 36 months.~~

20                     ~~3. Subject to subparagraph (i) of this paragraph, an~~  
21 ~~individual shall receive service credit at the rate of 4 months for each full year of attendance~~  
22 ~~at a United States service academy that interrupts the member's employment, not to exceed~~  
23 ~~a total of 16 months.~~

24 ~~38-104.~~

25           ~~(e) (1) An individual described in subsection (a) of this section may not receive~~  
26 ~~credit for that military service if the individual receives credit for military service from~~  
27 ~~another retirement system for which retirement benefits have been or will be received by~~  
28 ~~the individual.~~

29           ~~(2) Paragraph (1) of this subsection does not apply to:~~

30                     ~~(i) credit for military service provided under:~~

31                     ~~1. the Social Security Act;~~

32                     ~~2. the National Railroad Retirement Act; or~~

33                     ~~3. Title 3 or Title 10, Chapter 1223, §§ 12731 through 12737~~  
34 ~~of the United States Code; or~~





1 (ii) is reduced to zero if the amount of military pay received by the  
2 individual exceeds \$30,000.

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

5 (ii) **“ARMED FORCES” HAS THE MEANING STATED IN § 9–901 OF**  
6 **THE STATE GOVERNMENT ARTICLE.**

7 (III) “Military retirement income” means retirement income,  
8 including death benefits, received as a result of military service.

9 [(iii)] (IV) “Military service” means:

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

13 2. membership in a reserve component [of the armed forces  
14 of the United States];

15 3. membership in an active component of the armed forces  
16 [of the United States]; **OR**

17 4. [membership in the Maryland National Guard; or

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

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

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

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

28 10–208.

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



1 (i-1) (2) The subtraction under subsection (a) of this section includes an amount  
2 equal to the amount specified in paragraph (4) of this subsection if an individual is a  
3 qualifying public safety volunteer for the taxable year, as determined under paragraph (3)  
4 of this subsection.

5 (3) An individual is a qualifying public safety volunteer for the taxable year  
6 eligible for the subtraction modification under this subsection if the individual:

7 (iii) 3. is a member of [the National Guard or other] A reserve  
8 component [of the United States armed forces who has been ordered into active military  
9 service and] who serves on ~~OFFICIAL~~ active duty [in the armed forces of the United States]  
10 **ORDERS** during the taxable year; or

11 (4) The amount of the subtraction under paragraph (2) of this subsection is  
12 equal to \$7,000.

13 13-908.

14 (b) (1) **IN THIS SUBSECTION, "PUBLIC HEALTH EMERGENCY" INCLUDES:**

15 (I) **A NATIONAL EMERGENCY DECLARED BY THE PRESIDENT OF**  
16 **THE UNITED STATES UNDER THE NATIONAL EMERGENCIES ACT;**

17 (II) **AN EMERGENCY OR MAJOR DISASTER DECLARED BY THE**  
18 **PRESIDENT OF THE UNITED STATES UNDER THE ROBERT T. STAFFORD DISASTER**  
19 **RELIEF AND EMERGENCY ASSISTANCE ACT;**

20 (III) **A PUBLIC HEALTH EMERGENCY DECLARED BY THE**  
21 **SECRETARY OF HEALTH AND HUMAN SERVICES UNDER 42 U.S.C. § 247D; AND**

22 (IV) **A CATASTROPHIC HEALTH EMERGENCY DECLARED BY THE**  
23 **GOVERNOR UNDER § 14-3A-02 OF THE PUBLIC SAFETY ARTICLE.**

24 [(1)] (2) The income tax imposed under this article shall be abated in the  
25 case of any individual:

26 (i) who dies while in active service as a member of the [armed forces  
27 of the United States] **UNIFORMED SERVICES**, if such death occurs while serving in a  
28 combat zone **OR A PUBLIC HEALTH EMERGENCY RESPONSE AREA** or as a result of  
29 wounds, disease, or injury incurred while so serving; or

30 (ii) who dies while a [military] **MEMBER OF THE UNIFORMED**  
31 **SERVICES** or civilian employee of the United States, if such death occurs as a result of  
32 wounds, **DISEASE**, or injury incurred while the individual was a [military] **MEMBER OF**

1 **THE UNIFORMED SERVICES** or civilian employee of the United States and which were  
 2 incurred outside the United States in **A PUBLIC HEALTH EMERGENCY RESPONSE OR** a  
 3 terroristic or military action.

4 ~~[(2)]~~ **(3)** The abatement of tax shall have the same effect and shall apply  
 5 to the same taxable years as provided under § 692 of the Internal Revenue Code.

6 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
 7 as follows:

### 8 Article – Tax – Property

9 1–101.

10 (a) In this article the following words have the meanings indicated.

11 **(A–1) “ACTIVE DUTY” HAS THE MEANING STATED IN § 9–901 OF THE STATE**  
 12 **GOVERNMENT ARTICLE.**

13 **(A–2) “ACTIVE SERVICE MEMBER” HAS THE MEANING STATED IN § 9–901 OF**  
 14 **THE STATE GOVERNMENT ARTICLE.**

15 **(HH–1) “RESERVE COMPONENT” HAS THE MEANING STATED IN § 9–901**  
 16 **OF THE STATE GOVERNMENT ARTICLE.**

17 **(JJ–1) “SERVICE MEMBER” HAS THE MEANING STATED IN § 9–901 OF THE**  
 18 **STATE GOVERNMENT ARTICLE.**

19 **(OO–1) “UNIFORMED SERVICES” HAS THE MEANING STATED IN § 9–901**  
 20 **OF THE STATE GOVERNMENT ARTICLE.**

21 **(RR) “VETERAN” HAS THE MEANING STATED IN § 9–901 OF THE STATE**  
 22 **GOVERNMENT ARTICLE.**

23 ~~7–208.~~

24 ~~(a) (1) In this section the following words have the meanings indicated.~~

25 ~~(2) “Disabled active duty service member” means an [individual in active~~  
 26 ~~service of the military, naval, or air service as defined in 38 U.S.C. § 101] ACTIVE SERVICE~~  
 27 ~~MEMBER who has a service-connected physical disability that:~~

28 ~~(i) is reasonably certain to continue for the life of the service~~  
 29 ~~member; and~~

1                   (ii) ~~was not caused or incurred by misconduct of the service member.~~

2                   (3) (i) ~~“Disabled veteran” means an individual who:~~

3                               1. ~~is [honorably discharged or released under honorable~~  
4 ~~circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101] A~~  
5 ~~VETERAN; and~~

6                               2. ~~has been declared by the U.S. Department of Veterans~~  
7 ~~Affairs to have a permanent 100% service connected disability that results from blindness~~  
8 ~~or other disabling cause that:~~

9                                       A. ~~is reasonably certain to continue for the life of the veteran;~~  
10 ~~and~~

11                                       B. ~~was not caused or incurred by misconduct of the veteran.~~

12                               (ii) ~~“Disabled veteran” includes an individual who qualifies~~  
13 ~~posthumously for a 100% service connected disability.~~

14           (b) ~~Except as provided in subsection (c) of this section, a dwelling house is exempt~~  
15 ~~from property tax if:~~

16                   (1) ~~the dwelling house is owned by:~~

17                               (i) ~~a disabled active duty service member;~~

18                               (ii) ~~a disabled veteran;~~

19                               (iii) ~~a surviving spouse of an individual who died in the line of duty,~~  
20 ~~if:~~

21                                       1. ~~the dwelling house was owned by the individual at the~~  
22 ~~time of the individual’s death;~~

23                                       2. ~~the dwelling house was acquired by the surviving spouse~~  
24 ~~within 2 years of the individual’s death, if the individual or the surviving spouse was~~  
25 ~~domiciled in the State as of the date of the individual’s death; or~~

26                                       3. ~~the dwelling house was acquired after the surviving~~  
27 ~~spouse qualified for exemption for a former dwelling house under item 1 or 2 of this item,~~  
28 ~~to the extent of the previous exemption; or~~

29                                       (iv) ~~a surviving spouse of a disabled veteran who meets the~~  
30 ~~requirements of subsection (c) of this section; and~~

31                   (2) ~~the application requirements of subsection (d) of this section are met.~~

1 9–102.

2 (a) (1) In this section the following words have the meanings indicated.

3 (9) “Renter” means an individual, who during the calendar year for which  
4 the property tax relief under this section is sought, actually occupies a dwelling in which  
5 the individual has a leasehold interest and who:

6 (ii) has been found permanently and totally disabled and has  
7 qualified for benefits under:

8 3. any federal act for **SERVICE** members [of the United  
9 States armed forces]; or

10 (b) There is a property tax relief program for any renter.

11 (h) (1) The property tax relief that a renter may receive under this section is  
12 the assumed property tax on real property less a percentage of the combined income of the  
13 renter.

14 (2) The percentage is:

15 (i) 0% of the 1st \$4,000 of combined income;

16 (ii) 2.5% of the 2nd \$4,000 of combined income; and

17 (iii) 5.5% of the combined income over \$8,000.

18 9–219.

19 (a) The Mayor and City Council of Baltimore City or the governing body of a  
20 county or of a municipal corporation may grant, by law, a property tax credit against the  
21 county or municipal corporation property tax imposed on rental dwellings of owners who  
22 provide reduced rents for any tenant who:

23 (2) has been found permanently and totally disabled and has qualified for  
24 benefits under:

25 (iii) any federal act for **SERVICE** members [of the United States  
26 armed forces]; or

27 9–258.

28 (a) (1) In this section the following words have the meanings indicated.

29 (2) “Dwelling” has the meaning stated in § 9–105 of this title.

1 (3) “Eligible individual” means:

2 (ii) an individual who is at least 65 years old and is a retired  
 3 **SERVICE** member [of the uniformed services of the United States as defined in 10 U.S.C. §  
 4 101, the military reserves, or the National Guard];

5 (iii) a surviving spouse, who is at least 65 years old and has not  
 6 remarried, of a retired **SERVICE** member [of the uniformed services of the United States  
 7 as defined in 10 U.S.C. § 101, the military reserves, or the National Guard];

8 (iv) an individual who:

9 1. is an active duty, retired, or honorably discharged  
 10 **SERVICE** member [of the uniformed services of the United States as defined in 10 U.S.C. §  
 11 101, the military reserves, or the National Guard]; and

12 2. has a service-connected disability as defined in a local law  
 13 enacted under this section; or

14 (v) a surviving spouse of an individual described under item (iv) of  
 15 this paragraph who has not remarried.

16 (b) The Mayor and City Council of Baltimore City or the governing body of a  
 17 county or municipal corporation may grant, by law, a property tax credit under this section  
 18 against the county or municipal corporation property tax imposed on the dwelling of an  
 19 eligible individual.

20 ~~9-265.~~

21 (a) ~~(1) In this section the following words have the meanings indicated.~~

22 ~~(2) “Disabled veteran” means an individual who:~~

23 ~~(i) is [honorably discharged or released under honorable~~  
 24 ~~circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101] A~~  
 25 ~~VETERAN; and~~

26 ~~(ii) 1. has been declared by the U.S. Department of Veterans~~  
 27 ~~Affairs to have a permanent service-connected disability of at least 50% that results from~~  
 28 ~~blindness or any other disabling cause that:~~

29 ~~A. is reasonably certain to continue for the life of the veteran;~~  
 30 ~~and~~

~~B. was not caused or incurred by misconduct of the veteran;~~  
~~or~~

~~2. has been declared by the U.S. Department of Veterans Affairs to have a nonpermanent service-connected disability of 100% that results from blindness or any other disabling cause that was not caused or incurred by misconduct of the veteran.~~

~~(3) "Dwelling house":~~

~~(i) means real property that is:~~

~~1. the legal residence of a disabled veteran; and~~

~~2. occupied by not more than two families; and~~

~~(ii) includes the lot or curtilage and structures necessary to use the real property as a residence.~~

~~(b) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may grant, by law, a property tax credit under this section against the county or municipal corporation property tax imposed on a dwelling house if:~~

~~(1) the dwelling house is owned by a disabled veteran;~~

~~(2) the disabled veteran's federal adjusted gross income for the immediately preceding taxable year does not exceed \$100,000; and~~

~~(3) the application requirements of subsection (d) of this section are met.~~

10-204.

(a) Notwithstanding Subtitle 1 of this title, the governing body of a county may authorize, by law, a payment deferral of county property tax for residential real property occupied as the principal residence of the owner.

(b) An owner is eligible for a payment deferral under subsection (a) of this section if the owner or at least 1 of the owners:

(1) has resided in the dwelling for a period of at least 5 consecutive years;

(2) (i) has been found permanently and totally disabled and has qualified for benefits under:

3. any federal act for **SERVICE** members [of the United States armed forces]; or

1 (3) meets the income eligibility requirements determined under subsection  
2 (c) of this section.

3 10-204.2.

4 (a) Notwithstanding Subtitle 1 of this title, the governing body of a municipal  
5 corporation may authorize, by law, a payment deferral of municipal corporation property  
6 tax for residential real property occupied as the principal residence of the owner.

7 (b) An owner is eligible for a payment deferral under subsection (a) of this section  
8 if the owner or at least 1 of the owners:

9 (1) has resided in the dwelling for a period of at least 5 consecutive years;

10 (2) (ii) has been found permanently and totally disabled and has  
11 qualified for benefits under:

12 3. any federal act for **SERVICE** members [of the United  
13 States armed forces]; or

14 (3) meets the income eligibility requirements determined under subsection  
15 (c) of this section.

16 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be  
17 applicable to all taxable years beginning after December 31, 2024.

18 SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be  
19 applicable to all taxable years beginning after June 30, 2025.

20 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2025.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.