

Chapter 258

(Senate Bill 278)

AN ACT concerning

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

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

BY adding to

Article – General Provisions

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

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – General Provisions

Section 1–117

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,

Article – Local Government

Section 1–101(a)

Annotated Code of Maryland

(2013 Volume and 2024 Supplement)

BY adding to

Article – Local Government

Section 1–101(k) and (l)

Annotated Code of Maryland

(2013 Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government

Section 1–203 and 1–204(a) and (d)

Annotated Code of Maryland

(2013 Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–901

Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 1–101(a), ~~and 9–1104(a), and 38–101(a)~~
Annotated Code of Maryland
(2024 Replacement Volume and 2024 Supplement)

BY adding to
Article – State Personnel and Pensions
Section 1–101(a–1), (a–2), (b–1), ~~(h–1)~~, (l–1), (r), and (s) ~~and 38–101(b–1) and (e–1)~~
Annotated Code of Maryland
(2024 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 2–701, 2–703, ~~2–704~~, 2–705(b), 2–706(b) and (c), 2–707(a), 7–203(b)(1)(i),
7–207(c), and 9–1104(b)(3), ~~38–101(d), 38–103(d), and 38–104(e)~~
Annotated Code of Maryland
(2024 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 1–101(a), 10–101(a), 10–207(a), and 10–208(a) and (i–1)(2) and (4)
Annotated Code of Maryland
(2022 Replacement Volume and 2024 Supplement)

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

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

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 1–101(a), ~~7–208(a)(1) and (b)~~, 9–102(a)(1), (b), and (h), 9–258(a)(1), (2), and
(3)(v) and (b), ~~9–265(b)~~, 10–204(a) and (b)(1) and (3), and 10–204.2(a) and
(b)(1) and (3)

Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

BY adding to

Article – Tax – Property
Section 1–101(a–1), (a–2), (hh–1), (jj–1), (oo–1), and (rr)
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section ~~7–208(a)(2) and (3)~~, 9–102(a)(9)(ii)3., 9–219(a)(2)(iii), 9–258(a)(3)(ii) through
(iv), ~~9–265(a)~~, 10–204(b)(2)(ii)3., and 10–204.2(b)(2)(ii)3.
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

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

Article – General Provisions

1–101.1.

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

1–101.2.

“ACTIVE SERVICE MEMBER” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.

1–103.1.

“ARMED FORCES” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.

1–114.1.

“RESERVE COMPONENT” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.

1–114.2.

“SERVICE MEMBER” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.

1-116.

“UNIFORMED SERVICES” HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

1-117.

(A) “VETERAN” HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

(B) With respect to any State program of benefits, rights, or privileges applicable to a veteran under this Code, “veteran” includes ~~§~~ if the individual is eligible under 38 U.S.C. § 101, a member of the commissioned corps of:

(1) the Public Health Service; or

(2) the National Oceanic and Atmospheric Administration or its predecessor, the Coast and Geodetic Survey; ~~AN INDIVIDUAL WHO MEETS THE DEFINITION OF “VETERAN” UNDER § 9-901 OF THE STATE GOVERNMENT ARTICLE.~~

Article – Local Government

1-101.

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

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

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

1-203.

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

(1) counties;

(2) municipalities;

(3) bicounty agencies;

(4) county boards of education;

- (5) public corporations;
- (6) special taxing districts; and
- (7) other political subdivisions of the State.

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

1–204.

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

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

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

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

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

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

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

Article – State Government

9–901.

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

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

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

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

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

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

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

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

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

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

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

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

(1) THE UNIFORMED SERVICES; OR

(2) A RESERVE COMPONENT OF THE UNIFORMED SERVICES.

[(e)] (K) “Trust” means the Maryland Veterans Trust.

(L) “UNIFORMED SERVICES” HAS THE MEANING STATED IN 37 U.S.C. § 101.

[(f)] (M) Except as otherwise provided [in this subtitle], “veteran” [means an individual who served on active duty in the armed forces of the United States, other than for training, and was discharged or released under conditions other than dishonorable] HAS THE MEANING STATED IN 38 U.S.C. § 101.

Article – State Personnel and Pensions

1–101.

(a) In this Division I of this article the following words have the meanings indicated.

(A-1) "ACTIVE DUTY" HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

(A-2) "ACTIVE SERVICE MEMBER" HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

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

~~(H-1) "MILITARY SERVICE" MEANS:~~

~~(1) INDUCTION INTO THE ARMED FORCES FOR TRAINING AND SERVICE UNDER THE SELECTIVE TRAINING AND SERVICE ACT OF 1940 OR A SUBSEQUENT ACT OF A SIMILAR NATURE;~~

~~(2) MEMBERSHIP IN A RESERVE COMPONENT:~~

~~(I) ON ACTIVE DUTY OR ORDERED OR ASSIGNED TO ACTIVE DUTY; OR~~

~~(II) ON ACTIVE DUTY FOR TRAINING OR INACTIVE DUTY FOR TRAINING THAT INTERRUPTS A MEMBER'S SERVICE;~~

~~(3) MEMBERSHIP IN AN ACTIVE COMPONENT OF THE ARMED FORCES;~~

~~(4) MEMBERSHIP IN THE MARYLAND NATIONAL GUARD; OR~~

~~(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.

(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.

~~[(b)]~~ A returning veteran who enlisted in 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;

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

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

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

(1) performed ~~military~~ service IN THE UNIFORMED SERVICES 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;

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

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

~~2-704.~~

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

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

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

2-705.

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

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

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

2-706.

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

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

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

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

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

2–707.

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

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

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

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

7–203.

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

(i) the disabled veteran:

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

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

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

7–207.

(c) (1) ~~[(i)]~~ In this subsection ~~the~~ the following words have the meanings indicated.

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

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

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

1. an eligible spouse;
2. ~~[an eligible]~~ **A** veteran;
3. the spouse of ~~[an eligible]~~ **A** veteran who has a service connected disability; or
4. the surviving spouse of a deceased ~~[eligible]~~ veteran.

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

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

- (i) a current State employee; and
- (ii) ~~[an eligible]~~ **A** veteran who is convicted of a crime after being discharged from or completing military service.

9-1104.

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

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

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

~~38-101.~~

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

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

~~(d) "Military service" means:~~

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

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

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

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

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

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

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

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

~~38-103.~~

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

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

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

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

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

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

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

~~38-104.~~

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

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

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

~~1. the Social Security Act;~~

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

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

~~(ii) disability payments from a pension or retirement system.~~

~~(3) (i) Military service credit under this section may not exceed 5 years.~~

~~(ii) Subject to subparagraph (i) of this paragraph, a member of [the Maryland National Guard or of] a reserve component [of the armed forces of the United States] who has not [been activated under Title 10 of the United States Code] SERVED ON OFFICIAL ACTIVE DUTY ORDERS, shall receive service credit at the rate of 4 months for each full year of service with [the Maryland National Guard or with] a reserve component [of the armed forces of the United States], not to exceed a total of 36 months.~~

~~(iii) Subject to subparagraph (i) of this paragraph, an individual shall receive service credit at the rate of 4 months for each full year of attendance at a United States service academy OR THE UNIFORMED SERVICES UNIVERSITY, not to exceed a total of 16 months.~~

Article – Tax – General

1–101.

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

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

(X) “UNIFORMED SERVICES” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.

(Y) “VETERAN” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.

11–204.

(a) The sales and use tax does not apply to:

(8) a sale to a bona fide nationally organized and recognized organization of veterans [of the armed forces of the United States] or an auxiliary of the organization or one of its units, if the organization is qualified as tax exempt under § 501(c)(4) or § 501(c)(19) of the Internal Revenue Code.

11–206.

(d) The sales and use tax does not apply to:

(2) if the proceeds of the sale are used to support a bona fide nationally organized and recognized organization of veterans [of the armed forces of the United States] or auxiliary of the organization or 1 of its units, a sale of food or meals for consumption only on the premises, served by the organization or auxiliary;

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

10–101.

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

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

10-207.

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

(p) (1) **(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(II) “MILITARY PAY” MEANS PAY RECEIVED AS A RESULT OF MILITARY SERVICE.

(III) “MILITARY SERVICE” HAS THE MEANING STATED IN SUBSECTION (Q)(1) OF THIS SECTION.

(2) The subtraction under subsection (a) of this section includes the first \$15,000 of military pay that is:

(i) received by an individual who is in active **MILITARY** service [of any branch of the armed forces]; and

(ii) attributable to military service of the individual outside the United States.

[(2)] (3) The amount of the subtraction under paragraph **[(1)] (2)** of this subsection:

(i) is reduced dollar for dollar in the amount by which military pay received by the individual exceeds \$15,000; and

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

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

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

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

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

1. induction into the armed forces **[of the United States]** for training and service under the Selective Training and Service Act of 1940 or a subsequent act of a similar nature;
2. membership in a reserve component **[of the armed forces of the United States];**
3. membership in an active component of the armed forces **[of the United States]; OR**
4. **[membership in the Maryland National Guard; or**
- 5.] active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey.

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

- (i) if, on the last day of the taxable year, the individual is under the age of 55 years, the first \$12,500 of military retirement income received by an individual during the taxable year; and
- (ii) if, on the last day of the taxable year, the individual is at least 55 years old, the first \$20,000 of military retirement income received by an individual during the taxable year.

10–208.

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

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

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

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

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

13-908.

(b) (1) **IN THIS SUBSECTION, “PUBLIC HEALTH EMERGENCY” INCLUDES:**

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

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

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

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

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

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

(ii) who dies while a [military] **MEMBER OF THE UNIFORMED SERVICES** or civilian employee of the United States, if such death occurs as a result of wounds, **DISEASE**, or injury incurred while the individual was a [military] **MEMBER OF THE UNIFORMED SERVICES** or civilian employee of the United States and which were incurred outside the United States in **A PUBLIC HEALTH EMERGENCY RESPONSE OR** a terroristic or military action.

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

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

Article – Tax – Property

1–101.

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

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

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

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

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

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

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

~~7–208.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(ii) a disabled veteran;~~

~~(iii) a surviving spouse of an individual who died in the line of duty;~~

~~if:~~

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

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

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

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

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

9-102.

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

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

(ii) 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

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

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

(2) The percentage is:

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

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

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

9–219.

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

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

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

9–258.

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

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

(3) “Eligible individual” means:

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

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

(iv) an individual who:

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

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

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

(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 the dwelling of an eligible individual.

~~9-265.~~

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

~~(2) "Disabled veteran" means an individual who:~~

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

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

~~A. is reasonably certain to continue for the life of the veteran; 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) (ii) 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

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

10–204.2.

(a) Notwithstanding Subtitle 1 of this title, the governing body of a municipal corporation may authorize, by law, a payment deferral of municipal corporation 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) (ii) 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

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

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

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

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

Approved by the Governor, May 6, 2025.