

Chapter 686

(Senate Bill 607)

AN ACT concerning

Income Tax – Subtraction Modification for Public Safety Retirement Income – Amount

FOR the purpose of phasing in, over a certain period of years, an increase in the amount allowed as a subtraction modification under the Maryland income tax for certain retirement income attributable to an individual's employment as a certain public safety employee; and generally relating to a subtraction modification under the Maryland income tax for the retirement income of public safety employees.

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–207(a)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–207(mm)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)

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

Article – Tax – General

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.

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

(ii) “Correctional officer” means an individual who:

1. was employed in:

A. a State correctional facility, as defined in § 1–101 of the Correctional Services Article;

B. a local correctional facility, as defined in § 1–101 of the Correctional Services Article;

C. a juvenile facility included in § 9–226 of the Human Services Article; or

D. a facility of the United States that is equivalent to a State or local correctional facility or a juvenile facility included in § 9–226 of the Human Services Article; and

2. is eligible to receive retirement income attributable to the individual’s employment under item 1 of this subparagraph.

(iii) “Emergency services personnel” means emergency medical technicians or paramedics.

(iv) “Employee retirement system” has the meaning stated under § 10–209(a) of this subtitle.

(v) “Public safety employee” means an individual who is a retired correctional officer, law enforcement officer, or fire, rescue, or emergency services personnel of the United States, the State, or a political subdivision of the State.

(2) [The] **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE subtraction under subsection (a) of this section includes [the first \$15,000 of] income from an employee retirement system that is attributable to service as a public safety employee, if the income is received by an individual who is at least 55 years old on the last day of the taxable year.**

(3) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES:

(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2024, BUT BEFORE JANUARY 1, 2026, THE FIRST \$15,000 OF INCOME DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION;

(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, BUT BEFORE JANUARY 1, 2027, THE FIRST \$16,000 OF INCOME DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION;

(III) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2026, BUT BEFORE JANUARY 1, 2028, THE FIRST \$17,000 OF INCOME DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION;

(IV) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2027, BUT BEFORE JANUARY 1, 2029, THE FIRST \$18,000 OF INCOME DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION;

(V) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2028, BUT BEFORE JANUARY 1, 2030, THE FIRST \$19,000 OF INCOME DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

(VI) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2029, THE FIRST \$20,000 OF INCOME DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, May 26, 2026.