

Chapter 689

**(Senate Bill 194)**

AN ACT concerning

**Income and Property Tax Incentives – Members and Veterans of the Space Force – Application**

FOR the purpose of applying certain provisions of law relating to the job creation tax credit and certain property tax credits and exemptions for certain members, veterans, and surviving spouses of certain members and veterans of the military, naval, or air service to certain members, veterans, and surviving spouses of certain members and veterans of the space force; and generally relating to income and property tax incentives for members, veterans, and surviving spouses of members and veterans of the space force.

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 9–901  
Annotated Code of Maryland  
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,  
Article – Economic Development  
Section 6–301(a)  
Annotated Code of Maryland  
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,  
Article – Economic Development  
Section 6–301(e)  
Annotated Code of Maryland  
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,  
Article – Tax – Property  
Section 1–101(a), 9–265(a)(1), and 9–323(g)(1)(i)  
Annotated Code of Maryland  
(2019 Replacement Volume and 2025 Supplement)

BY adding to  
Article – Tax – Property  
Section 1–101(a–2)  
Annotated Code of Maryland  
(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 1–101(a–2), 7–208(a) and (d)(1), 9–265(a)(2) and (d)(1), and 9–323(g)(1)(ii)

Annotated Code of Maryland

(2019 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 – 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 MILITARY, NAVAL, AIR, OR SPACE SERVICE” HAS THE MEANING STATED IN 38 U.S.C. § 101.**

(D) “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)] (E) “Armed forces” has the meaning stated in 10 U.S.C. § 101.

[(e)] (F) “Board” means the Board of Trustees of the Maryland Veterans Trust.

[(f)] (G) “Department” means the Department of Veterans and Military Families.

[(g)] (H) “Military family” includes the spouse and dependent children of a service member or veteran related by blood, marriage, or adoption.

[(h)] (I) “Reserve component” has the meaning stated in 37 U.S.C. § 101.

[(i)] (J) “Secretary” means the Secretary of Veterans and Military Families.

[(j)] (K) “Service member” means an individual who is a member of:

(1) the uniformed services; or

(2) a reserve component of the uniformed services.

~~[(k)]~~ (L) “Trust” means the Maryland Veterans Trust.

~~[(l)]~~ (M) “Uniformed services” has the meaning stated in 37 U.S.C. § 101.

~~[(m)]~~ (N) Except as otherwise provided in this subtitle, “veteran” has the meaning stated in 38 U.S.C. § 101.

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

### Article – Economic Development

6–301.

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

(e) “Qualified veteran employee” means an individual who:

~~(1) is honorably discharged or released under honorable circumstances from active military, naval, [or] air, OR SPACE service as defined in [38 U.S.C. § 101] § 9–901 OF THE STATE GOVERNMENT ARTICLE; and~~

**(1) IS A VETERAN; AND**

(2) is a qualified veteran as defined under § 51(d)(3)(A) of the Internal Revenue Code for purposes of the federal Work Opportunity Tax Credit.

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–2) “ACTIVE MILITARY, NAVAL, AIR, OR SPACE SERVICE” HAS THE MEANING STATED IN § 9–901 OF THE STATE GOVERNMENT ARTICLE.**

~~[(a–2)]~~ (A–3) “Active service member” 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, **OR SPACE** service [as defined in 38 U.S.C. § 101] 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, **OR SPACE** service [as defined in 38 U.S.C. § 101]; and~~

**1. IS 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.

(4) “Dwelling house”:

(i) means real property that is:

1. the legal residence of a disabled active duty service member, disabled veteran, or surviving spouse; and

2. occupied by not more than 2 families; and

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

(5) “Individual who died in the line of duty” means an individual who died while in the active military, naval, [or] air, **OR SPACE** service [of the United States] as a

result of an injury or disease that is deemed under 38 U.S.C. § 105 to have been incurred in the line of duty.

(6) “Surviving spouse” means an individual who has not remarried and who:

(i) is the surviving spouse of a disabled veteran;

(ii) is the surviving spouse of an individual who died in the line of duty; or

(iii) receives Dependency and Indemnity Compensation from the U.S. Department of Veterans Affairs.

(d) (1) A disabled veteran or a surviving spouse of a disabled veteran shall apply for an exemption under this section by providing to the supervisor:

(i) a copy of the disabled veteran’s discharge certificate from active military, naval, [or] air, **OR SPACE** service; and

(ii) 1. on the form provided by the Department, a certification of the disabled veteran’s disability from the U.S. Department of Veterans Affairs; or

2. a rating decision of the disabled veteran’s disability from the U.S. Department of Veterans Affairs that includes the effective date of the rating decision.

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, **OR SPACE** service [as defined in 38 U.S.C. § 101]; and~~

**(I) IS 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.

(d) (1) A disabled veteran shall apply for the property tax credit under this section by providing to the county or municipal corporation:

(i) a copy of the disabled veteran's discharge certificate from active military, naval, [or] air, **OR SPACE** service; and

(ii) on the form provided by the county or municipal corporation, a certification of the disabled veteran's disability from the U.S. Department of Veterans Affairs.

9-323.

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

(ii) 1. "Disabled veteran" means an individual who:

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

**A. IS A VETERAN; AND**

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

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

II. was not caused or incurred by misconduct of the veteran.

2. "Disabled veteran" includes an individual who qualifies posthumously for a service-connected disability.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 2025.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be applicable to all taxable years beginning after June 30, 2026.

SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

**Approved by the Governor, May 26, 2026.**