

HOUSE BILL 761

Q3
HB 60/25 – W&M

6lr2645

By: **Delegates Griffith, Rogers, Allen, Anderson, Arentz, Boafo, Ciliberti, Coley, Crutchfield, Hartman, Hornberger, Howard, D. Jones, T. Morgan, Pruski, Reilly, Rose, Schmidt, Stinnett, Tomlinson, and Wims**

Introduced and read first time: February 4, 2026

Assigned to: Ways and Means

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 State income tax for certain military retirement income received by an individual,
6 regardless of age, during a taxable year for certain military service; and generally
7 relating to a subtraction modification under the State 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 2025 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 2025 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.



(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.

(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.

(iv) “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;

3. membership in an active component of the armed forces; or

4. 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]

(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, BUT BEFORE JANUARY 1, 2027, THE FIRST \$25,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR; AND

(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2026, THE FIRST \$40,000 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR.

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