

# HOUSE BILL 857

Q3  
HB 800/25 – W&M

6lr1180

By: **Delegates Griffith, Rogers, Allen, Arentz, Baker, Boafo, Buckel, Ciliberti, Crutchfield, Hartman, Hornberger, Howard, D. Jones, Kipke, McComas, Miller, T. Morgan, Odom, 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 **Individuals Under the Age of 55**

4 FOR the purpose of increasing the amount of a subtraction modification under the  
5 Maryland income tax for military retirement income for individuals who are under  
6 a certain age; and generally relating to a subtraction modification under the  
7 Maryland income tax for military retirement income.

8 BY repealing and reenacting, without amendments,  
9 Article – Tax – General  
10 Section 10–207(a)  
11 Annotated Code of Maryland  
12 (2022 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – General  
15 Section 10–207(q)  
16 Annotated Code of Maryland  
17 (2022 Replacement Volume and 2025 Supplement)

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

20 **Article – Tax – General**

21 10–207.

22 (a) To the extent included in federal adjusted gross income, the amounts under

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 this section are subtracted from the federal adjusted gross income of a resident to determine  
2 Maryland adjusted gross income.

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 the State  
6 Government Article.

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

9 (iv) "Military service" means:

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

13 2. membership in a reserve component;

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

16 4. active duty with the commissioned corps of the Public  
17 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and  
18 Geodetic Survey.

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

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

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2026, and shall be applicable to all taxable years beginning after December 31, 2025.