

# HOUSE BILL 1035

Q3

6lr2839

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By: **Delegates Fisher, Arikan, Chisholm, Grammer, M. Morgan, Nawrocki, and Szeliga**

Introduced and read first time: February 9, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Overtime Compensation**

3 FOR the purpose of allowing a subtraction modification under the Maryland income tax for  
4 certain overtime compensation; and generally relating to a subtraction modification  
5 under the Maryland income tax for overtime compensation.

6 BY repealing and reenacting, without amendments,

7 Article – Tax – General

8 Section 10–208(a)

9 Annotated Code of Maryland

10 (2022 Replacement Volume and 2025 Supplement)

11 BY adding to

12 Article – Tax – General

13 Section 10–208(dd)

14 Annotated Code of Maryland

15 (2022 Replacement Volume and 2025 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

18 **Article – Tax – General**

19 10–208.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(DD) (1) IN THIS SUBSECTION, “QUALIFIED OVERTIME COMPENSATION”**  
2 **HAS THE MEANING STATED IN § 225 OF THE INTERNAL REVENUE CODE.**

3           **(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**  
4 **INCLUDES THE AMOUNT OF QUALIFIED OVERTIME COMPENSATION ALLOWED AS A**  
5 **DEDUCTION UNDER § 225 OF THE INTERNAL REVENUE CODE.**

6           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2026, and shall be applicable to all taxable years beginning after December 31, 2025, but  
8 before January 1, 2029. It shall remain effective for a period of 3 years and, at the end of  
9 June 30, 2029, this Act, with no further action required by the General Assembly, shall be  
10 abrogated and of no further force and effect.