

HOUSE BILL 1228

Q3

4lr2821
CF SB 1070

By: **Delegates Luedtke, Cardin, Carr, Conway, DeBoy, Eckardt, Fraser-Hidalgo, Glass, Haddaway-Riccio, Ivey, A. Kelly, Kipke, Love, Malone, Olszewski, Pena-Melnyk, Reznik, Rudolph, Serafini, Szeliga, Vitale, A. Washington, and Wood**

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 28, 2014

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and**
3 **Emergency Medical Services Members**

4 FOR the purpose of altering the amount of a subtraction modification under the State
5 income tax for certain qualifying volunteer fire, rescue, and emergency medical
6 services members; and generally relating to a subtraction modification under
7 the State income tax for certain qualifying volunteer fire, rescue, and
8 emergency medical services members.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–208(a)
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–208(i–1)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2013 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Tax – General**

4 10–208.

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

8 (i–1) (1) The subtraction under subsection (a) of this section includes an
9 amount equal to **[\$3,500] THE AMOUNT SPECIFIED IN PARAGRAPH (3) OF THIS**
10 **SUBSECTION** if an individual is a qualifying volunteer fire, rescue, or emergency
11 medical services member for the taxable year, as determined under paragraph (2) of
12 this subsection.

13 (2) An individual is a qualifying volunteer fire, rescue, or emergency
14 medical services member for the taxable year eligible for the subtraction modification
15 under this subsection if the individual:

16 (i) is an active member of:

17 1. a bona fide Maryland fire, rescue, or emergency
18 medical services organization;

19 2. an auxiliary organization of a bona fide Maryland fire,
20 rescue, or emergency medical services organization;

21 3. the United States Coast Guard Auxiliary; or

22 4. the Maryland Defense Force;

23 (ii) serves the organization in a volunteer capacity without
24 compensation, except nominal expenses or meals;

25 (iii) 1. qualifies for active status during the taxable year
26 under:

27 A. a volunteer fire, rescue, or emergency medical services
28 personnel or auxiliary length of service award program operated by a county or
29 municipal corporation of the State, if the length of service award program requires for
30 active status qualification a minimum of 50 points per year and that points be earned
31 in at least two different categories; or

32 B. a point system established by a county or municipal
33 corporation that does not operate a volunteer fire, rescue, or emergency medical

1 services personnel or auxiliary length of service award program or by the United
 2 States Coast Guard Auxiliary or the Maryland Defense Force, to identify active
 3 members of a volunteer fire, rescue, or emergency medical services organization or
 4 auxiliary organization, if the point system requires for active status qualification a
 5 minimum of 50 points per year and that points be earned in at least two different
 6 categories;

7 2. has maintained active status for at least 25 years
 8 under a volunteer fire, rescue, or emergency medical services personnel or auxiliary
 9 length of service award program or a point system established in lieu of a length of
 10 service award program;

11 3. is a member of the National Guard or other reserve
 12 component of the United States armed forces who has been ordered into active
 13 military service and who serves on active duty in the armed forces of the United States
 14 during the taxable year; or

15 4. is a civilian or a member of the Merchant Marine on
 16 assignment in support of the armed forces of the United States during the taxable year
 17 in an area designated as a combat zone by executive order of the President; and

18 (iv) will have been an active member of a bona fide Maryland
 19 fire, rescue, or emergency medical services organization, an auxiliary organization of a
 20 bona fide Maryland fire, rescue, or emergency medical services organization, or the
 21 United States Coast Guard Auxiliary or the Maryland Defense Force for at least 36
 22 months during the last 10 calendar years by December 31 of the taxable year.

23 (3) **THE AMOUNT OF THE SUBTRACTION UNDER PARAGRAPH (1)**
 24 **OF THIS SUBSECTION IS EQUAL TO:**

25 (I) ~~\$4,000~~ \$3,750 FOR A TAXABLE YEAR BEGINNING AFTER
 26 **DECEMBER 31, 2013, BUT BEFORE JANUARY 1, 2015;**

27 (II) ~~\$4,500~~ \$4,000 FOR A TAXABLE YEAR BEGINNING AFTER
 28 **DECEMBER 31, 2014, BUT BEFORE JANUARY 1, 2016;**

29 (III) ~~\$5,000~~ \$4,250 FOR A TAXABLE YEAR BEGINNING AFTER
 30 **DECEMBER 31, 2015, BUT BEFORE JANUARY 1, 2017;**

31 (IV) ~~\$6,000~~ \$4,500 FOR A TAXABLE YEAR BEGINNING AFTER
 32 **DECEMBER 31, 2016, BUT BEFORE JANUARY 1, 2018; ~~AND~~**

33 (V) ~~\$7,000~~ \$4,750 FOR A TAXABLE YEAR BEGINNING AFTER
 34 **DECEMBER 31, 2017, BUT BEFORE JANUARY 1, 2019; AND**

1 (VI) \$5,000 FOR A TAXABLE YEAR BEGINNING AFTER
2 DECEMBER 31, 2018.

3 (4) (i) Each fire, rescue, or emergency medical services
4 organization or auxiliary organization shall:

5 1. maintain a record of the points earned by each
6 individual during each calendar year;

7 2. provide each member a report identifying the number
8 of points earned in each category by February 15 of the following year; and

9 3. provide a report that includes the names, Social
10 Security numbers, and points earned by those members qualifying for the subtraction
11 modification under this subsection to the Maryland State Firemen's Association by
12 May 1 of the following year.

13 (ii) An individual may not qualify for the subtraction under this
14 subsection based on membership in the United States Coast Guard Auxiliary or the
15 Maryland Defense Force unless the United States Coast Guard Auxiliary or the
16 Maryland Defense Force:

17 1. maintains a record of the points earned by each
18 individual during each calendar year;

19 2. provides each member a report identifying the
20 number of points earned in each category by February 15 of the following year; and

21 3. provides a report that includes the names, Social
22 Security numbers, and points earned by those members qualifying for the subtraction
23 modification under this subsection to the Comptroller on or before October 1 of each
24 year.

25 [(4)] (5) To qualify for the subtraction modification under this
26 subsection, an individual shall attach to the individual's income tax return a copy of
27 the report provided by the organization under paragraph [(3)] (4) of this subsection.

28 [(5)] (6) On or before October 1 of each year, the Maryland State
29 Firemen's Association shall submit to the Department of Public Safety and
30 Correctional Services and the Office of the Comptroller a report stating the
31 participation in the point system by the various local subdivisions with the names and
32 Social Security numbers of individuals who qualified for the subtraction modification
33 under this subsection for the preceding taxable year.

1 **[(6) (7)** (i) A person may not knowingly make or cause any false
2 statement or report to be made in any application or in any document required under
3 this subsection.

4 (ii) Any person who violates or attempts to violate any provision
5 of subparagraph (i) of this paragraph shall be subject to a fine of \$1,000.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.