

HOUSE BILL 482

Q3

5l0117
CF SB 592

By: **The Speaker (By Request – Administration) and Delegates Adams, Afzali, Anderton, Arentz, Beidle, Beitzel, Bromwell, Buckel, Carozza, Cassilly, Ciliberti, Cluster, Fisher, Flanagan, Folden, Ghrist, Grammer, Hornberger, S. Howard, Jackson, Jacobs, Kipke, Kittleman, Krebs, Long, Mautz, McComas, McConkey, McDonough, McKay, Metzgar, Miele, O’Donnell, Oaks, Otto, Parrott, Proctor, Saab, Shoemaker, Sophocleus, Szeliga, Vitale, West, B. Wilson, and C. Wilson**

Introduced and read first time: February 9, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement Income**

3 FOR the purpose of altering for certain taxable years a certain limitation on a subtraction
4 modification under the Maryland income tax for certain military retirement income;
5 and generally relating to a subtraction modification for military retirement income.

6 BY repealing and reenacting, without amendments,
7 Article – Tax – General
8 Section 10–207(a)
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2014 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – General
13 Section 10–207(q)
14 Annotated Code of Maryland
15 (2010 Replacement Volume and 2014 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 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) To the extent included in federal adjusted gross income, the amounts under
2 this section are subtracted from the federal adjusted gross income of a resident to determine
3 Maryland adjusted gross income.

4 (q) (1) (i) In this subsection the following words have the meanings
5 indicated.

6 (ii) "Military service" means:

7 1. induction into the armed forces of the United States for
8 training and service under the Selective Training and Service Act of 1940 or a subsequent
9 act of a similar nature;

10 2. membership in a reserve component of the armed forces of
11 the United States;

12 3. membership in an active component of the armed forces of
13 the United States;

14 4. membership in the Maryland National Guard; or

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

18 (iii) "Military retirement income" means retirement income received
19 as a result of military service.

20 (2) The subtraction under subsection (a) of this section includes [the first
21 \$5,000 of]:

22 **(I) THE GREATER OF \$5,000 OR 25% OF THE MILITARY**
23 **RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR**
24 **BEGINNING AFTER DECEMBER 31, 2014, BUT BEFORE JANUARY 1, 2016;**

25 **(II) 50% OF THE MILITARY RETIREMENT INCOME RECEIVED BY**
26 **AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2015,**
27 **BUT BEFORE JANUARY 1, 2017;**

28 **(III) 75% OF THE MILITARY RETIREMENT INCOME RECEIVED BY**
29 **AN INDIVIDUAL DURING A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2016,**
30 **BUT BEFORE JANUARY 1, 2018; AND**

31 **(IV) ALL military retirement income received by an individual during**
32 **[the] A taxable year BEGINNING AFTER DECEMBER 31, 2017.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2015.