

# HOUSE BILL 1043

Q3

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By: **Delegates McConkey and Wilson**

Introduced and read first time: February 7, 2018

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Out-of-State Military Income**

3 FOR the purpose of expanding a certain subtraction modification allowed under the State  
4 income tax to include certain income attributable to military service outside the  
5 State; providing for the application of this Act; and generally relating to a subtraction  
6 modification under the State income tax for military income.

7 BY repealing and reenacting, without amendments,  
8 Article – Tax – General  
9 Section 10–207(a)  
10 Annotated Code of Maryland  
11 (2016 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Tax – General  
14 Section 10–207(p)  
15 Annotated Code of Maryland  
16 (2016 Replacement Volume and 2017 Supplement)

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

19 **Article – Tax – General**

20 10–207.

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

24 (p) (1) The subtraction under subsection (a) of this section includes the first

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 \$15,000 of military pay that is:

2 (i) received by an individual who is in active service of any branch  
3 of the armed forces; and

4 (ii) attributable to military service of the individual outside the  
5 **STATE OR THE** United States.

6 (2) The amount of the subtraction under paragraph (1) of this subsection:

7 (i) is reduced dollar for dollar in the amount by which military pay  
8 received by the individual exceeds \$15,000; and

9 (ii) is reduced to zero if the amount of military pay received by the  
10 individual exceeds \$30,000.

11 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect July  
12 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.