

# SENATE BILL 996

Q3  
SB 295/17 – B&T

8lr2160

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By: **Senators Peters, Astle, Benson, Cassilly, Currie, DeGrange, Edwards, Feldman, Guzzone, Kagan, Kelley, King, Klausmeier, Madaleno, Manno, Mathias, Middleton, Muse, Norman, Rosapepe, Serafini, Simonaire, Smith, Young, and Zucker** ~~Zucker, Eckardt, and Kasemeyer~~

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – ~~Military Retirement Income –~~**  
3 **~~Individuals at Least 65 Years Old~~ Retirement Income**  
4 **(Hometown Heroes and Veterans Act of 2018)**

5 FOR the purpose of altering a subtraction modification under the State income tax for  
6 certain military retirement income for individuals who are at least a certain age;  
7 providing a subtraction modification under the Maryland income tax under certain  
8 circumstances for a certain amount of retirement income attributable to certain  
9 employment as a correctional officer; defining a certain term; providing for the  
10 application of this Act; and generally relating to the State income tax on certain  
11 retirement income.

12 BY repealing and reenacting, without amendments,  
13 Article – Tax – General  
14 Section 10–207(a)  
15 Annotated Code of Maryland  
16 (2016 Replacement Volume and 2017 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Tax – General  
19 Section 10–207(q) and 10–209  
20 Annotated Code of Maryland

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### 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.



(2016 Replacement Volume and 2017 Supplement)

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

**Article – Tax – General**

10–207.

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

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

(ii) “Military retirement income” means retirement income received as a result of military service.

(iii) “Military service” means:

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

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

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

4. membership in the Maryland National Guard; or

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

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

(i) if, on the last day of the taxable year, the individual is under the age of ~~65~~ **55** years, the first \$5,000 of military retirement income received by an individual during the taxable year; and

(ii) if, on the last day of the taxable year, the individual is at least ~~65~~ **55** years old, the first ~~[\$10,000]~~ **\$15,000** of military retirement income received by an individual during the taxable year.

1 10-209.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) “CORRECTIONAL OFFICER” MEANS AN INDIVIDUAL WHO:

4 (I) WAS EMPLOYED IN:

5 1. A STATE CORRECTIONAL FACILITY, AS DEFINED IN §  
6 1-101 OF THE CORRECTIONAL SERVICES ARTICLE;

7 2. A LOCAL CORRECTIONAL FACILITY, AS DEFINED IN §  
8 1-101 OF THE CORRECTIONAL SERVICES ARTICLE;

9 3. A JUVENILE DETENTION FACILITY IN THE STATE; OR

10 4. A FACILITY OF THE UNITED STATES THAT IS  
11 EQUIVALENT TO A STATE OR LOCAL CORRECTIONAL FACILITY OR A JUVENILE  
12 DETENTION FACILITY IN THE STATE; AND

13 (II) IS ELIGIBLE TO RECEIVE RETIREMENT INCOME  
14 ATTRIBUTABLE TO THE INDIVIDUAL’S EMPLOYMENT UNDER ITEM (I) OF THIS  
15 PARAGRAPH.

16 [(2)] (3) “Emergency services personnel” means emergency medical  
17 technicians or paramedics.

18 [(3)] (4) (i) “Employee retirement system” means a plan:

19 1. established and maintained by an employer for the benefit  
20 of its employees; and

21 2. qualified under § 401(a), § 403, or § 457(b) of the Internal  
22 Revenue Code.

23 (ii) “Employee retirement system” does not include:

24 1. an individual retirement account or annuity under § 408  
25 of the Internal Revenue Code;

26 2. a Roth individual retirement account under § 408A of the  
27 Internal Revenue Code;

28 3. a rollover individual retirement account;

