

HOUSE BILL 15

Q3
HB 461/22 – W&M

(PRE-FILED)

3lr0954
CF 3lr0822

By: **Delegate Rogers**

Requested: November 18, 2022

Introduced and read first time: January 11, 2023

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Subtraction Modification – Military and Public Safety Retirement**
3 **Income**

4 FOR the purpose of altering the amount of certain subtraction modifications under the
5 Maryland income tax for individuals who are at least a certain age for certain
6 retirement income received as a result of the individual's military service or
7 attributable to the individual's employment as a correctional officer, a law
8 enforcement officer, or a fire, rescue, or emergency services personnel; and generally
9 relating to subtraction modifications under the Maryland income tax for retirement
10 income.

11 BY repealing and reenacting, without amendments,
12 Article – Tax – General
13 Section 10–207(a)
14 Annotated Code of Maryland
15 (2022 Replacement Volume)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – General
18 Section 10–207(q) and (mm)
19 Annotated Code of Maryland
20 (2022 Replacement Volume)

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

23 **Article – Tax – General**

24 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 retirement income" means retirement income,
 7 including death benefits, received as a result of military service.

8 (iii) "Military service" means:

- 9 1. induction into the armed forces of the United States for
 10 training and service under the Selective Training and Service Act of 1940 or a subsequent
 11 act of a similar nature;
- 12 2. membership in a reserve component of the armed forces of
 13 the United States;
- 14 3. membership in an active component of the armed forces of
 15 the United States;
- 16 4. membership in the Maryland National Guard; or
- 17 5. active duty with the commissioned corps of the Public
 18 Health Service, the National Oceanic and Atmospheric Administration, or the Coast and
 19 Geodetic Survey.

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

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

24 (ii) if, on the last day of the taxable year, the individual is at least 55
 25 years old, the first ~~[\$15,000]~~ **\$20,000** of military retirement income received by an
 26 individual during the taxable year.

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 28 as follows:

29 **Article – Tax – General**

30 10–207.

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

1 Maryland adjusted gross income.

2 (mm) (1) (i) In this subsection the following words have the meanings
3 indicated.

4 (ii) “Correctional officer” means an individual who:

5 1. was employed in:

6 A. a State correctional facility, as defined in § 1–101 of the
7 Correctional Services Article;

8 B. a local correctional facility, as defined in § 1–101 of the
9 Correctional Services Article;

10 C. a juvenile facility included in § 9–226 of the Human
11 Services Article; or

12 D. a facility of the United States that is equivalent to a State
13 or local correctional facility or a juvenile facility included in § 9–226 of the Human Services
14 Article; and

15 2. is eligible to receive retirement income attributable to the
16 individual’s employment under item 1 of this subparagraph.

17 (iii) “Emergency services personnel” means emergency medical
18 technicians or paramedics.

19 (iv) “Employee retirement system” has the meaning stated under §
20 10–209(a) of this subtitle.

21 (v) “Public safety employee” means an individual who is a retired
22 correctional officer, law enforcement officer, or fire, rescue, or emergency services personnel
23 of the United States, the State, or a political subdivision of the State.

24 (2) **[The] FOR A PUBLIC SAFETY EMPLOYEE WHO IS AT LEAST 55**
25 **YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR, THE** subtraction under
26 subsection (a) of this section includes:

27 **(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
28 **2022, BUT BEFORE JANUARY 1, 2024, the first [\$15,000] \$17,500 of income RECEIVED**
29 **BY THE PUBLIC SAFETY EMPLOYEE** from an employee retirement system that is
30 attributable to service as a public safety employee[, if the income is received by an
31 individual who is at least 55 years old on the last day of the taxable year]; **AND**

32 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**

1 **2023, THE FIRST \$20,000 OF INCOME RECEIVED BY THE PUBLIC SAFETY EMPLOYEE**
2 **FROM AN EMPLOYEE RETIREMENT SYSTEM THAT IS ATTRIBUTABLE TO SERVICE AS**
3 **A PUBLIC SAFETY EMPLOYEE.**

4 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
5 applicable to all taxable years beginning after December 31, 2022.

6 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2023.