

HOUSE BILL 1244

Q3

7lr2762

By: **Delegates Brooks, Atterbeary, Aumann, Barkley, Bromwell, Carey, Carr, Chang, Ebersole, Folden, Glenn, Haynes, Hettleman, C. Howard, Impallaria, Jackson, Jalisi, Jameson, Jones, Krebs, Lafferty, Lam, Lierman, Lisanti, Metzgar, Patterson, Sydnor, Valentino-Smith, Vogt, B. Wilson, and P. Young**

Introduced and read first time: February 10, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement Income –**
3 **Individuals Under the Age of 65 Years**

4 FOR the purpose of altering a subtraction modification under the Maryland income tax for
5 certain military retirement income for individuals who are under a certain age;
6 providing for the application of this Act; and generally relating to a subtraction
7 modification for military retirement income.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2016 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(q)
16 Annotated Code of Maryland
17 (2016 Replacement Volume)

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

20 **Article – Tax – General**

21 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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 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 years old,] the first \$10,000 of military retirement income received by an individual during the taxable year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.