

SENATE BILL 103

Q3

3lr0579
CF 3lr1992

By: **Senators Peters, Astle, Brinkley, Brochin, Colburn, Currie, DeGrange, Dyson, Edwards, Ferguson, Garagiola, Getty, Glassman, Jacobs, Jennings, King, Kittleman, Klausmeier, Manno, Mathias, McFadden, Middleton, Montgomery, Muse, Pipkin, Pugh, Ramirez, Raskin, Reilly, Robey, Rosapepe, Shank, Simonaire, Stone, Young, ~~and Zirkin~~ Zirkin, Kasemeyer, Jones-Rodwell, and Madaleno**

Introduced and read first time: January 11, 2013

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 2013

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Military Retirement Income**

3 FOR the purpose of altering a subtraction modification under the State income tax for
4 certain military retirement income for individuals who are at least a certain
5 age; providing for the application of this Act; providing for a delayed effective
6 date; and generally relating to the State income taxation of certain retirement
7 income.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2012 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(q)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2012 Supplement)

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.



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

3 **Article – Tax – General**

4 10–207.

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

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

10 (ii) “Military service” means:

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

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

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

18 4. membership in the Maryland National Guard; or

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

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

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

25 **(I) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE**
26 **INDIVIDUAL IS UNDER THE AGE OF 65 YEARS OLD, THE FIRST \$5,000 OF**
27 **MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE**
28 **TAXABLE YEAR; AND**

29 **(II) IF, ON THE LAST DAY OF THE TAXABLE YEAR, THE**
30 **INDIVIDUAL IS AT LEAST 65 YEARS OLD,** the first **[\$5,000] \$10,000** of military
31 retirement income received by an individual during the taxable year.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,
3 2014.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.