

# SENATE BILL 295

Q3  
SB 293/16 – B&T

7lr1322  
CF HB 1389

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

Introduced and read first time: January 20, 2017  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted with floor amendments  
Read second time: March 17, 2017

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

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Retirement Income –**  
3 **Individuals at Least 65 Years Old**

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

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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.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 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 under  
6 this section are subtracted from the federal adjusted gross income of a resident to determine  
7 Maryland adjusted gross income.

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

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

12 (iii) “Military service” means:

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

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

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

20 4. membership in the Maryland National Guard; or

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

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

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

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
32 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.