

# SENATE BILL 50

Q3

8lr1168

(PRE-FILED)

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By: **Senator Mathias**

Requested: November 14, 2017

Introduced and read first time: January 10, 2018

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Retirement Income of Law**  
3 **Enforcement, Fire, Rescue, and Emergency Services Personnel – Eligibility**

4 FOR the purpose of altering a certain subtraction modification under the Maryland income  
5 tax to include certain retirement income attributable to a resident’s employment  
6 with the District of Columbia as a law enforcement officer or member of a fire, rescue,  
7 or emergency services organization; providing for the application of this Act; and  
8 generally relating to a subtraction modification for certain retirement income  
9 attributable to a resident’s employment as a law enforcement officer or member of a  
10 fire, rescue, or emergency services organization.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 10–209  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume and 2017 Supplement)

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

18 **Article – Tax – General**

19 10–209.

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

21 (2) “Emergency services personnel” means emergency medical technicians  
22 or paramedics.

23 (3) (i) “Employee retirement system” means a plan:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

10 3. a rollover individual retirement account;

11 4. a simplified employee pension under Internal Revenue  
12 Code § 408(k); or

13 5. an ineligible deferred compensation plan under § 457(f) of  
14 the Internal Revenue Code.

15 (b) Subject to subsections (d) and (e) of this section, to determine Maryland  
16 adjusted gross income, if, on the last day of the taxable year, a resident is at least 65 years  
17 old or is totally disabled or the resident’s spouse is totally disabled, or the resident is at  
18 least 55 years old and is a retired law enforcement officer or fire, rescue, or emergency  
19 services personnel of the United States, **THE DISTRICT OF COLUMBIA**, the State, or a  
20 political subdivision of the State, an amount is subtracted from federal adjusted gross  
21 income equal to the lesser of:

22 (1) the cumulative or total annuity, pension, or endowment income from an  
23 employee retirement system included in federal adjusted gross income; or

24 (2) the maximum annual benefit under the Social Security Act computed  
25 under subsection (c) of this section, less any payment received as old age, survivors, or  
26 disability benefits under the Social Security Act, the Railroad Retirement Act, or both.

27 (c) For purposes of subsection (b)(2) of this section, the Comptroller:

28 (1) shall determine the maximum annual benefit under the Social Security  
29 Act allowed for an individual who retired at age 65 for the prior calendar year; and

30 (2) may allow the subtraction to the nearest \$100.

31 (d) Military retirement income that is included in the subtraction under §  
32 10–207(q) of this subtitle may not be taken into account for purposes of the subtraction

1 under this section.

2 (e) In the case of a retired law enforcement officer or fire, rescue, or emergency  
3 services personnel of the United States, **THE DISTRICT OF COLUMBIA**, the State, or a  
4 political subdivision of the State, the amount included under subsection (b)(1) of this section  
5 is limited to the first \$15,000 of retirement income that is attributable to the resident's  
6 employment as a law enforcement officer or fire, rescue, or emergency services personnel  
7 of the United States, **THE DISTRICT OF COLUMBIA**, the State, or a political subdivision  
8 of the State unless:

9 (1) the resident is at least 65 years old or is totally disabled; or

10 (2) the resident's spouse is totally disabled.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
12 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.