

~~(H) the first \$2,500 \$5,000 of military retirement income received by an individual during the taxable year, if the individual:~~

~~(i) is at least 55 60 years old on the last day of the taxable year; and~~
~~OR~~

~~(ii) was an enlisted member of the military at the time of retirement.~~

~~(H) THE FIRST \$2,500 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR IF THE INDIVIDUAL IS UNDER THE AGE OF 60 YEARS ON THE LAST DAY OF THE TAXABLE YEAR.~~

~~(2) The amount of the subtraction under paragraph (1) of this subsection:~~

~~(i) is reduced by 50% of the amount by which federal adjusted gross income exceeds \$17,500; and~~

~~(ii) is reduced to zero if federal adjusted gross income exceeds \$22,500.] 100% OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR.~~

~~(3) FOR A TAXABLE YEAR BEGINNING BEFORE JANUARY 1, 2011, THE FOLLOWING PERCENTAGE OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING A TAXABLE YEAR IS SUBTRACTED UNDER SUBSECTION (A) OF THIS SECTION:~~

~~(I) 20% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2006, BUT BEFORE JANUARY 1, 2008;~~

~~(II) 40% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2007, BUT BEFORE JANUARY 1, 2009;~~

~~(III) 60% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2008, BUT BEFORE JANUARY 1, 2010, AND~~

~~(IV) 80% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2009, BUT BEFORE JANUARY 1, 2011.~~

10-209.

(a) In this section:

(1) "employee retirement system" means a plan:

(i) established and maintained by an employer for the benefit of its employees; and

(ii) qualified under § 401(a), § 403, or § 457(b) of the Internal Revenue Code; and

(2) "employee retirement system" does not include:

(i) an individual retirement account or annuity under § 408 of the Internal Revenue Code;