

~~Annotated Code of Maryland
(1997 Replacement Volume and 2002 Supplement)~~

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

~~Article Tax General~~

~~10-207.~~

~~(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.~~

~~(g) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE subtraction under subsection (a) of this section includes [the first \$2,500 of military retirement income received by an individual during the taxable year, if the individual:~~

- ~~(i) is at least 55 years old on the last day of the taxable year; and~~
- ~~(ii) was an enlisted member of the military at the time of retirement.~~

~~(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.~~

~~(2) FOR A TAXABLE YEAR BEGINNING BEFORE JANUARY 1, 2007, 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 ENDING AFTER DECEMBER 31, 2002 AND BEGINNING BEFORE JANUARY 1, 2004;~~

~~(II) 40% FOR A TAXABLE YEAR ENDING AFTER DECEMBER 31, 2003 AND BEGINNING BEFORE JANUARY 1, 2005;~~

~~(III) 60% FOR A TAXABLE YEAR ENDING AFTER DECEMBER 31, 2004 AND BEGINNING BEFORE JANUARY 1, 2006; AND~~

~~(IV) 80% FOR A TAXABLE YEAR ENDING AFTER DECEMBER 31, 2005 AND BEGINNING BEFORE JANUARY 1, 2007.~~

~~10-209.~~

~~(a) In this section:~~