

1. induction into the armed forces of the United States for training and service under the Selective Training and Service Act of 1940 or a subsequent act of a similar nature;
2. membership in a reserve component of the armed forces of the United States;
3. membership in an active component of the armed forces of the United States;
4. membership in the Maryland National Guard; or
5. [with respect to a person separated from employment on or after July 1, 1991,] active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey.

(iii) "Military retirement income" means retirement income received as a result of military service.

(2) The subtraction under subsection (a) of this section includes the first \$5,000 of military retirement income received by an individual during the taxable year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007, and shall be applicable to all taxable years beginning after December 31, 2006.

Approved by the Governor, May 17, 2007.

CHAPTER 553

(House Bill 392)

AN ACT concerning

Income Tax - Subtraction Modification - Military Retirement Income for Commissioned Officers

FOR the purpose of altering a certain subtraction modification under the State income tax for certain military retirement income to include certain individuals;