Chapter 546

(Senate Bill 774)

AN ACT concerning

Income Tax – Subtraction Modification – Maryland Civil Air Patrol

FOR the purpose of making certain members of the Maryland Civil Air Patrol eligible under certain circumstances for a certain subtraction modification under the Maryland income tax for qualifying volunteer fire, rescue, or emergency medical services members; providing that an individual may not qualify for the subtraction modification based on membership in the Maryland Civil Air Patrol unless the Maryland Civil Air Patrol maintains certain records and provides certain reports; providing for a delayed effective date; providing for the application of this Act; and generally relating to a State income tax subtraction modification for certain qualifying members of the Maryland Civil Air Patrol.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–208(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–208(i–1)
Annotated Code of Maryland
(2010 Replacement Volume and 2012 Supplement)

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

Article – Tax – General

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(i–1) (1) The subtraction under subsection (a) of this section includes an amount equal to $3,500 if an individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year, as determined under paragraph (2) of this subsection.

(2) An individual is a qualifying volunteer fire, rescue, or emergency medical services member for the taxable year eligible for the subtraction modification under this subsection if the individual:

(i) is an active member of:

1. a bona fide Maryland fire, rescue, or emergency medical services organization;

2. an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization;

3. the United States Coast Guard Auxiliary; **[**or**]**

4. the Maryland Defense Force; **OR**

5. THE MARYLAND CIVIL AIR PATROL;

(ii) serves the organization in a volunteer capacity without compensation, except nominal expenses or meals;

(iii) 1. qualifies for active status during the taxable year under:

A. a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program operated by a county or municipal corporation of the State, if the length of service award program requires for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories; or

B. a point system established by a county or municipal corporation that does not operate a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program or by the United States Coast Guard Auxiliary**, [**or**]** the Maryland Defense Force**, OR THE MARYLAND CIVIL AIR PATROL**, to identify active members of a volunteer fire, rescue, or emergency medical services organization or auxiliary organization, if the point system requires for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories;

2. has maintained active status for at least 25 years under a volunteer fire, rescue, or emergency medical services personnel or auxiliary length of service award program or a point system established in lieu of a length of service award program;

3. is a member of the National Guard or other reserve component of the United States armed forces who has been ordered into active military service and who serves on active duty in the armed forces of the United States during the taxable year; or

4. is a civilian or a member of the Merchant Marine on assignment in support of the armed forces of the United States during the taxable year in an area designated as a combat zone by executive order of the President; and

(iv) will have been an active member of a bona fide Maryland fire, rescue, or emergency medical services organization, an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization, or the United States Coast Guard Auxiliary**, [**or**]** the Maryland Defense Force**, OR THE MARYLAND CIVIL AIR PATROL** for at least 36 months during the last 10 calendar years by December 31 of the taxable year.

(3) (i) Each fire, rescue, or emergency medical services organization or auxiliary organization shall:

1. maintain a record of the points earned by each individual during each calendar year;

2. provide each member a report identifying the number of points earned in each category by February 15 of the following year; and

3. provide a report that includes the names, Social Security numbers, and points earned by those members qualifying for the subtraction modification under this subsection to the Maryland State Firemen's Association by May 1 of the following year.

(ii) An individual may not qualify for the subtraction under this subsection based on membership in the United States Coast Guard Auxiliary**, [**or**]** the Maryland Defense Force**, OR THE MARYLAND CIVIL AIR PATROL** unless the United States Coast Guard Auxiliary**, [**or**]** the Maryland Defense Force**, OR THE MARYLAND CIVIL AIR PATROL**:

1. maintains a record of the points earned by each individual during each calendar year;

2. provides each member a report identifying the number of points earned in each category by February 15 of the following year; and

3. provides a report that includes the names, Social Security numbers, and points earned by those members qualifying for the subtraction modification under this subsection to the Comptroller on or before October 1 of each year.

(4) To qualify for the subtraction modification under this subsection, an individual shall attach to the individual's income tax return a copy of the report provided by the organization under paragraph (3) of this subsection.

(5) On or before October 1 of each year, the Maryland State Firemen's Association shall submit to the Department of Public Safety and Correctional Services and the Office of the Comptroller a report stating the participation in the point system by the various local subdivisions with the names and Social Security numbers of individuals who qualified for the subtraction modification under this subsection for the preceding taxable year.

(6) (i) A person may not knowingly make or cause any false statement or report to be made in any application or in any document required under this subsection.

(ii) Any person who violates or attempts to violate any provision of subparagraph (i) of this paragraph shall be subject to a fine of $1,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2014.

Approved by the Governor, May 16, 2013.