

Maryland Income Tax
ADMINISTRATIVE RELEASE

Administrative Release No. 29

Subject: The Honorable Louis L. Goldstein Subtraction Modification Program for Volunteer Fire, Rescue or Emergency Medical Services Personnel

I. General

The 1995 legislature enacted Senate Bill 144 (Chapter 508, Acts of 1995) providing a special subtraction modification for qualifying volunteer fire, rescue, or emergency medical services members. The amount of the subtraction modification was equal to \$3,000, which in effect is an exemption from Maryland income tax.

In 1998, the legislature enacted Senate Bill 396 (Chapter 384, Acts of 1998) increasing the subtraction modification from \$3,000 to \$3,500. The increase is effective for taxable years beginning after December 31, 1998. If a joint return is filed and both spouses are qualifying individuals, then the subtraction may be up to \$7,000. In order to qualify for the maximum amount, each qualifying spouse must have at least \$3,500 of income.

In 2000, the legislature enacted House Bill 1303 (Chapter 472, Acts of 2000) that reduced, over a four-year period, the duration of active membership with a bona fide Maryland volunteer fire, rescue, or emergency services organization required of an individual to qualify for the subtraction. The new service requirements are effective for all taxable years beginning after December 31, 1999.

In 2001, the legislature enacted Senate Bill 850 (Chapter 436, Acts of 2001) that modified the subtraction modification to include an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization as a qualifying organization. Qualifying members may claim the subtraction for all taxable years beginning after December 31, 2000.

In 2001, the legislature also enacted House Bill 46 (Chapter 442, Acts of 2001) that

named the subtraction modification The Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification Program.

Taxpayers receiving benefits under the existing Length of Service Award Program (LOSAP) may continue to exclude the benefits received under that program in addition to the exclusion provided under this new legislation.

In 2003, the legislature enacted Senate Bill 746 (Chapter 267, Acts of 2003) that added two new ways in which a qualifying member may satisfy the active status requirement during a taxable year. These new provisions are effective for all taxable years beginning after December 31, 2002.

In 2008, the legislature enacted Senate Bill 12 (Chapter 344, Acts of 2008) that reduces the duration of active membership with a bona fide Maryland volunteer fire, rescue, or emergency medical services organization or an auxiliary organization of a bona fide Maryland volunteer fire, rescue, or emergency services organization required of an individual to qualify for the subtraction. The new service requirements are effective for all taxable years beginning after December 31, 2007.

In 2011, Senate Bill 346 (Chapter 221, Acts of 2011) and House Bill 11 (Chapter 222, Acts of 2011) were cross-filed and modified the subtraction modification to include the Maryland Defense Force as a qualifying organization. Qualifying members may claim the subtraction for all taxable years beginning after December 31, 2011.

II. Qualifying individuals

An individual is a qualifying volunteer fire, rescue, or emergency medical services member for the purpose of this subtraction modification if the individual:

A. Is an active member of a bona fide Maryland fire, rescue, or emergency medical services organization;

B. Is an active member of an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization;

C. Is an active member of the United States Coast Guard Auxiliary; or

D. Is an active member of the Maryland Defense Force;

E. Serves the organization in a volunteer capacity without compensation, except nominal expenses or meals;

F. Qualifies for active status during the taxable year; and

G. 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 volunteer fire, rescue, or emergency services organization, or the United States Coast Guard Auxiliary or the Maryland Defense Force for at least 36 months during the last 10 calendar years by December 31 of the taxable year.

III. Active status

An individual shall be considered in active status if the person qualifies for active status under:

A. 1. A volunteer fire, rescue, or emergency medical services personnel or auxiliary LOSAP operated by a county or municipal corporation of the state if the LOSAP requires, for active status qualification a minimum of 50 points per year and that points be earned in at least two different categories; or

2. 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 LOSAP or by the United States Coast Guard Auxiliary or the Maryland Defense Force 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;

B. Has maintained active status for at least 25 years under a volunteer fire, rescue, or emergency medical services personnel or auxiliary LOSAP or a point system established in lieu of a LOSAP; or

C. For taxable years beginning after December 31, 2002:

1. 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

2. 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.

IV. Obligations of the fire, rescue, or emergency medical services organization or auxiliary organization

A. The organization shall be required to maintain certain records regarding each individual who will qualify for the subtraction modification. The records will consist of the following:

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

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

3. A report provided to the Maryland State Firemen's Association that includes the names, social security numbers, and points earned by those members qualifying for the subtraction modification by May 1 of the following year.

B. 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 Comptroller of Maryland 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.

V. Filing requirement

To qualify for the subtraction modification, the individual shall attach to their income tax return a copy of the report referred to in IV above. This report will be used by the Comptroller to determine whether the individual qualifies for the subtraction modification. Attached to this release is an example of a form that the individual is required to submit with the return.

VI. Effective date

Except as provided in I above, the subtraction modification is effective for all taxable years beginning after December 31, 1995.

Revised: June 2011



Revenue Administration Division
Revenue Administration Center
Annapolis, Maryland 21411-0001

Telephone: **410-260-7980** or
1-800-MD TAXES

taxhelp@comp.state.md.us

www.marylandtaxes.com

For the deaf or hard of hearing:
call via Maryland Relay at 711 in Maryland
or 1-800-735-2258

If you need reasonable accommodation for a
disability, please contact us before you visit.

If you need the information in this publication in an
alternate format, contact the Comptroller's Office.

Maryland Income Tax
Subtraction Modification Point System Reporting Program
Individual End-of-year Points Report
(Attach to Maryland return)

Name _____ Social Security Number _____

Address _____ Tax Year _____

_____ Years of service _____

Fire/Rescue/EMS Dept. _____

Points Credits

(Do not exceed maximum)

Formal Training (25 points maximum) _____

Drills (20 points maximum) _____

Sleep in/Standby (20 points maximum) _____

Elected/Appointed (25 points maximum) _____

Meetings (25 points maximum) _____

Alarms..... (40 points maximum) _____

Collateral duties (25 points maximum) _____

Total points credited _____

Authorized departmental official Date

Department point system coordinator Date

Qualified: Yes No

This form shall be sent to each individual member by February 15. Report subtraction modification of \$3,500.00 on line for "Other subtractions" of Maryland Form 502.

**AUXILIARY INCOME TAX SUBTRACTION MODIFICATION
STATE-WIDE POINT SYSTEM REPORTING PROGRAM**

INDIVIDUAL END OF YEAR POINTS REPORT

Name: _____ Social Security No. _____

Address: _____

_____ Service (Tax) Year: _____

Auxiliary Fire/Rescue/Emergency Service: _____

Points Credited

(Do Not Exceed Maximum)

1. Emergency Response Support Service	(40 points maximum)	_____
2. Drills and/or Training	(25 points maximum)	_____
3. Elected/Appointed Position	(25 points maximum)	_____
4. Fire/Injury Prevention Awareness	(30 points maximum)	_____
5. Fund Raising Events	(30 points maximum)	_____
6. Meetings	(25 points maximum)	_____
7. Collateral Duties	(25 points maximum)	_____
	Total Points Credited	_____

Signatures:

Authorized Auxiliary Point System Coordinator

Date

Auxiliary Certification Officer (President)

Date

Auxiliary Secretary

Date

Qualified to receive Income Tax Subtraction Modification: _____ **Yes** _____ **No**

Any person who knowingly makes or causes any false statement or report to be made in any application or in any documents required under the law to qualify for Maryland Income Tax Subtraction Modification is subject to a fine of \$1,000 (Tax-General Article §10-208(i-1)(6)).