

Administrative Release No. 31

Subject: The Honorable Louis L. Goldstein Subtraction Modification Program for Police Auxiliary or Reserve Volunteers

I. General

The 1997 legislature enacted House Bill 874 (Chapter 485, Acts of 1997) providing a special subtraction modification for qualifying volunteer police officers. The amount of the subtraction modification was equal to \$3,000, which in effect is an exemption from Maryland income tax. Senate Bill 396 (Chapter 384, Acts of 1998) enacted in 1998 increased the amount to \$3,500. 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 2001, the Legislature enacted House Bill 19 (Chapter 634, Acts of 2001) that modified the provisions of the subtraction modification. The term "volunteer police officer" was replaced with "police auxiliary or reserve volunteer." The bill also changed the requirements for qualifying for the subtraction.

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.

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.

II. Qualifying individuals

An individual is a qualifying police auxiliary or reserve volunteer for the purpose of this subtraction modification if the individual:

- A.** Is an active member of a bona fide Maryland police agency
- B.** Serves the organization in a volunteer capacity without compensation, except nominal expenses or meals;

C. 1. Qualifies for active status during the taxable year under a police auxiliary or reserve volunteer program approved by the Police Training Commission in conjunction with the Maryland Association of Counties and the Maryland Municipal League, that includes uniform systems for qualification, and record keeping, if the program is incorporated into the police agency's rules and regulations;

2. Has maintained active status for at least 25 years under the police auxiliary or reserve volunteer program;

3. For taxable years beginning after December 31, 2002

(a) 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

(b) 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

D. Will have been an active member of a bona fide Maryland police agency for at least 72 months during the last 10 calendar years by December 31 of the taxable year.

III. Obligations of the police agency

Each police agency shall:

A. Maintain a record of the activities of each police auxiliary or reserve volunteer during the calendar year;

B. Provide each member a report by February 15 of the following year indicating that the member qualified during the preceding calendar year; and

C. Provide a report that includes the names, Social Security numbers, and a certification that the

individual qualified for the subtraction modification under this section.

D. On before October 1 of each year, submit to the Department of Public Safety and Correctional Services and the Comptroller a report listing the names and Social Security numbers of individuals who qualified for the subtraction modification for the preceding taxable year.

IV. Filing requirement

To qualify for the subtraction modification, the individual shall attach to the income tax return a copy of the report referred to in III above.

This report will be used by the Comptroller to determine whether the individual qualifies for the subtraction modification.

V. Effective date

The subtraction modification is effective for all taxable years beginning after December 31, 1998.

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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
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