

Maryland Income Tax
ADMINISTRATIVE RELEASE

Administrative Release No. 29

**Subject: Subtraction Modification for Volunteer Fire, Rescue or
Emergency Medical Services Personnel**

I. General

The 1995 legislature enacted Senate Bill 144 (Chapter 508) 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) 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) that reduces, 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.

Senate Bill 850, Chapter 436, Acts of 2001, 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.

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) that adds 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.

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.** Serves the organization in a volunteer capacity without compensation, except nominal expenses or meals;
- D.** Qualifies for active status during the taxable year; and
- E.** Will have been an active member of a bona fide Maryland fire, rescue or emergency medical services organization or an auxiliary organization of a bona fide Maryland fire, rescue, or emergency medical services organization during the last 10 calendar years by December 31 of the taxable year for at least:

1. 72 months before January 1, 2001;
2. 60 months after December 31, 2000;
3. 48 months after December 31, 2001; and
4. 36 months after December 31, 2002.

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 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 that includes the names, social security numbers and points earned by those

members qualifying for the subtraction modification.

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 the 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: September 30, 2003



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 submitted 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)).