

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 815  
Ways and Means

(Delegate Stein)

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**Income Tax - Subtraction Modification - Public Safety Volunteers**

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This bill increases the value of the income tax subtraction modification for public safety volunteers from \$7,000 to \$10,000 for tax year 2025 and beyond. **The bill takes effect July 1, 2025.**

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**Fiscal Summary**

**State Effect:** General fund revenues decrease by \$1.3 million annually beginning in FY 2026. The Comptroller's Office can implement the bill's change with existing budgeted resources.

(\$ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	(\$1.3)	(\$1.3)	(\$1.3)	(\$1.3)	(\$1.3)
Expenditure	0	0	0	0	0
Net Effect	(\$1.3)	(\$1.3)	(\$1.3)	(\$1.3)	(\$1.3)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local revenues decrease by \$821,000 annually beginning in FY 2026. Local expenditures are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Prior to Chapters 15 and 16 of 2024, Maryland income tax law authorized similar but separate subtraction modifications for volunteer police personnel and volunteer fire, rescue, and emergency medical services (EMS) personnel, the respective values of which were \$5,000 and \$7,000 (for tax years after 2021). Chapters 15 and 16, which apply

to tax year 2024 and beyond, consolidated the two programs under a “public safety volunteer” subtraction modification equal to \$7,000 (an increase of \$2,000 for volunteer police personnel over the previous authorization).

To qualify for the subtraction modification, an individual must (1) be an active member of a public safety organization (as defined); (2) serve the public safety organization in a volunteer capacity; and (3) have been an active member of a public safety organization for at least 36 months during the last 10 calendar years by December 31 of the taxable year. In addition, an individual must:

- qualify for active status during the taxable year under a specified program, or have maintained active status under a specified program for at least 25 years;
- be a member of the National Guard or other reserve component of the U.S. Armed Forces who has been ordered into active military service and serves on active duty during the taxable year; or
- be a civilian or member of the Merchant Marines on assignment in support of the U.S. Armed Forces in a designated combat zone during the taxable year.

**State Revenues:** As discussed above, the bill increases the value of the public safety volunteer subtraction modification from \$7,000 to \$10,000 for tax years 2025 and beyond. Thus, general fund revenues decrease by an estimated \$1.3 million annually beginning in fiscal 2026 due to increases in the value of subtraction modifications claimed against the personal income tax. This estimate is based on claims for the previous volunteer police personnel and volunteer fire, rescue, and EMS personnel subtraction modifications in recent tax years and assumes a similar number of taxpayers will claim the public safety volunteer subtraction modification at the enhanced value under the bill.

**Local Revenues:** Local income tax revenues decrease by an estimated \$821,000 annually beginning in fiscal 2026 due to increases in the value of subtraction modifications claimed against the personal income tax.

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 323 and HB 626 of 2024 and SB 76 and HB 521 and SB 94 and HB 1269 of 2023.

**Designated Cross File:** SB 419 (Senator Jackson) - Budget and Taxation.

**Information Source(s):** Comptroller’s Office; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2025  
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