



**Stuart W. Carter – Chairman
Incentives Programs Committee
Maryland State Firemen’s Association
2019 – 2020**

Rules for the Maryland State Income Tax Subtraction Modification for 2019

Based on House Bill 1069 the Maryland State Tax Incentive Program has been amended to increase the amount a member may deduct from their “gross” Maryland income tax up to \$7,000.00. It will increase by \$250.00 (\$5,000.00) for 2019, \$1000.00 (\$6,000.00) for 2020, \$500.00 (\$6,500.00) for 2021 and \$500.00 (\$7,000.) for 2022. **For the taxable year 2019 the amount allowed to deduct is \$5,000.00.**

In order for a member to qualify for the yearly deduction they must meet the following requirements:

- Have earned a minimum of 50 points in **ANY** 3 of the last 10 years as long as 1 of those years is in the taxable year. In this case the taxable year is 2018. The last 10 years includes 2010 thru 2019.
- If a member has accumulated 25 credited years of service the “taxable year” requirement is waived, however they must still make 50 or more points in any 3 of the last 10 years.
- A member **MUST** have served a minimum of 36 full months in order to qualify. For the year 2019 a member must have joined the company as of January 1, 2017. January 1, 2017 thru December 31, 2019 equals 36 months.

Points earned are based on your County’s program or if your County does not have a program it is based on the State program as outlined in the MSFA tax incentive form MSFA-P.2.2(Revised 7/19). 50 points must be earned in at least 2 or more categories.

For the taxable year 2019 qualified members can deduct \$5,000.00 from their gross income by using Maryland Income Tax form number 502 under “Other Subtractions From Income” and using income subtraction form 502SU item “va”. They will need to send MSFA tax incentive form MSFA-P.2.2(Revised 7/19) either with their tax return or separately if filing on line.

A new updated tax incentive form will become available each year.

Attached is form MSFA-P.2.2(Revised 7/19) specifically designed for the taxable year 2019. Please use it only for 2019.

VERY IMPORTANT. THE MARYLAND STATE CONTROLLERS OFFICE WILL NOT ACCEPT A FILE WITHOUT THE FULL 9 DIGIT SOCIAL SECURITY NUMBER. IF WE DO NOT SUPPLY THEM WITH ALL OF THE ABOVE INFORMATION THE STATE WILL REJECT THE MEMBERS’ RETURN AND THEY WILL HAVE TO PAY BACK THE DEDUCTION PLUS INTEREST AND PENALTIES.

If you have any questions please direct them to your County “Points Coordinator”.