

Maryland Subtractions from Income (form 502SU)

- a. Payments from a pension system to firemen and policemen for job-related injuries or disabilities (but not more than the amount included in your total income).
- b. Net allowable subtractions from income from pass-through entities not attributable to decoupling.
- c. Net subtractions from income reported by a fiduciary.
- d. Distributions of accumulated income by a fiduciary, if income tax has been paid by the fiduciary to the State (but not more than the amount included in your total income).
- e. Profit (without regard to losses) from the sale or exchange of bonds issued by the State or local governments of Maryland.
- f. Benefits received from a Keogh plan on which State income tax was paid prior to 1967.
- g. Amount of wages and salaries disallowed as a deduction due to the work opportunity credit allowed under the Internal Revenue Code Section 51.
- h. Expenses up to \$5,000 incurred by a blind person for a reader, or up to \$1,000 incurred by an employer for a reader for a blind employee.
- i. Expenses incurred for reforestation or timber stand improvement of commercial forest land.
- j. The amount added to taxable income for the use of an official vehicle by a member of state, county or local police or fire department. The amount is listed separately on your W-2.
- k. Up to \$6,000 in expenses incurred by parents to adopt a child with special needs through a public or nonprofit adoption

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agency; up to \$5,000 for **adoption** of a child without special needs.

- l. Purchase and installation costs of certain enhanced **agricultural management equipment**.
- m. Deductible **artist's contribution**. Complete and attach Form 502AC.
- n. Payment received under a fire, rescue, or ambulance **personnel length of service award program** that is funded by any county or municipal corporation of the State.
- o. Value of **farm products** you donated to a gleaning cooperative.
- p. **Overseas military** subtraction (Use worksheet from Instruction 13.)
- q. **Unreimbursed vehicle travel expenses**. Complete and attach Form 502V.
- r. Amount of **pickup contribution shown on Form 1099R** from the State retirement or pension systems included in federal adjusted gross income.
- s. Amount of **interest and dividend income** (including capital gain distributions) **of a dependent child** that is included in the parent's federal gross income under the Internal Revenue Code Section 1(g)(7).
- t. **Relocation and assistance payments** received from the State of Maryland under Title 12 Subtitle 2 of the Real Property Article.
- u. **Military Retirement Income**. Individuals at least 55 years of age on the last day of the taxable year may claim up to

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\$15,000 of military retirement income, including death benefits, received the taxable year. Individuals under the age of 55 on the last day of the taxable year may claim up to \$5,000 of military retirement income received in the taxable year.

- v. Up to \$15,000 in income from an employee retirement system that is attributable to service as a **public safety employee** for a taxpayer who is age 55 or older on the last day of the taxable year, qualify, you must be a retired correctional officer, law enforcement officer, or fire, rescue, or emergency services personnel of the United States, Maryland, or a political subdivision of Maryland.
- va. The Honorable Louis L. **Goldstein Volunteer Fire, Rescue and Emergency Medical Services** Personnel Subtraction Modification Program. Attach a copy of the certification.
- vb. The Honorable Louis L. **Goldstein Volunteer Police** Personnel Subtraction Modification Program. Attach a copy of the certification.
- w. Unreimbursed **expenses incurred by a foster parent** on behalf of a foster child.
- xa. Up to \$2,500 per contract purchased for advanced tuition payments made to the **Maryland Prepaid College Trust**. See Administrative Release 32.
- xb. Up to \$2,500 per account contributor per beneficiary of the total of all amounts contributed to investment accounts under the **Maryland College Investment Plan**.

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- xc. Any amount included in federal adjusted gross income as a result of a distribution to a designated beneficiary from a [Maryland ABLÉ](#) account, unless it is a refund or non-qualified distribution.
- xd. Up to \$2,500 per [ABLE account](#) contributor per beneficiary of the total of all amounts contributed under the Maryland ABLÉ Program.
- xe. An amount included in federal adjusted gross income contributed by the State into an investment account under §18-19A-04.1 of the [Education Article](#) during the taxable year.
- y. Any income that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the [actions or policies of Nazi Germany towards a Holocaust victim](#).
- z. Expenses incurred to buy and install [handrails in an existing elevator](#) in a qualified healthcare facility or other building in which at least 50% of the space is used for medical purposes.
- aa. [Payments from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter](#) whose death arises out of or in the course of their employment.
- ab. Income from U.S. Government obligations. Enter interest on U.S. Savings Bonds and other U.S. obligations. Capital gains from the sale or exchange of U.S. obligations should be included on this line. Dividends from mutual funds that invest in U.S. Government obligations also are exempt from state

taxation. However, only that portion of the dividends attributable to interest or capital gain from U.S. Government obligations can be subtracted. You cannot subtract income from Government National Mortgage Association securities. See Administrative Releases 10 and 13.

- bb. Net subtraction modification to Maryland taxable income when claiming the [federal depreciation allowances from which the State of Maryland has decoupled](#). Complete and attach Form 500DM. See Administrative Release 38.
- cc. Net subtraction modification to Maryland taxable income when using the [federal special 2-year carryback](#) (farming loss only) period for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. Complete and attach Form 500DM.
- cd. Net subtraction modification to Maryland taxable income resulting from the federal ratable inclusion of [deferred income](#) arising from business indebtedness discharged by [reacquisition of a debt](#) instrument. Complete and attach Form 500DM. See Administrative Release 38.
- dd.** Income derived within arts and entertainment district(s) by a [qualifying residing artist](#). Complete and attach Form 502AE.
- dm. Net subtraction modification from multiple [decoupling provisions](#). Complete and attach Form 500DM.
- dp. Net subtraction [decoupling modification from a pass-through entity](#). Complete and attach Form 500DM. See Administrative Release 38.

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- ee. Amount received as a [grant under the Solar Energy Grant Program](#) administered by the Maryland Energy Administration but not more than the amount included in your total income.
- ff. Amount of the cost difference between a conventional on-site sewage disposal system and a system that utilizes [nitrogen removal technology](#), for which the Department of Environment's payment assistance program does not cover.
- hh. Net subtraction to adjust phase out of exemptions as a [result of including U.S. obligations](#) in your adjusted gross income.
- ii. Interest on any [Build America Bond](#) that is included in your federal adjusted gross income. See Administrative Release 13.
- jj. [Gain resulting from a payment from the Maryland Department of Transportation](#) as a result of the acquisition of a portion of the property on which your principal residence is located.
- nn. Amount of [student loan indebtedness discharged](#). Attach notice.
- oo. Up to \$5,000 of income earned by a law enforcement officer residing in the Maryland political subdivision in which the officer is employed if the [crime rate](#) in that political subdivision exceeds the State's crime rate.
- pp. The value of any medal given by the International [Olympic Committee](#), the International Paralympic Committee, the Special Olympics International Committee, or the International Committee of Sports for the Deaf AND any prize money or honoraria received from the United States Olympic

Committee from a performance at the Olympic Games, the Paralympic Games, the Special Olympic Games, or the Deaflympic Games.

- qq. Amount of qualified **principal residence indebtedness** included in federal adjusted gross income that was allowable as an exclusion under the Mortgage Forgiveness Debt Relief Act of 2007, as amended.
- rr. Up to \$50,000 of compensation received by an individual during the taxable year in exchange for the sale of a **perpetual conservation** easement on real property located in Maryland. Any amount included in federal adjusted gross income for the first \$50,000 of compensation received by an individual during the taxable year in exchange for the sale of a perpetual conservation easement on real property located in the State of Maryland.
- ss. Up to \$10,000 of certain qualified unreimbursed expenses paid or incurred attributable to the **donation of certain organs** for organ transplantation by a living individual
- tt. Up to \$250 of certain unreimbursed expenses paid or incurred by a **full time K-12 teacher** for the purchase of certain classroom supplies. (Exclude amount on Federal 1040.
- uu. Gain recognized as the result of the sale of property for the **redevelopment within Laurel Park, Pimlico Race Course, and/or Bowie Race Course Training Center**, and for the amount of income recognized directly or indirectly by the state investment in the sites.

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- vv. The value of a subsidy for rental expenses received by a resident of Howard County under the "Live Where You Work" program of the Downtown Columbia Plan.
- ww. **First Time Homebuyer Savings Account** authorizes first time homebuyers to allow a subtraction up to \$5,000 of the amount contributed to such an account and the earnings on the account.
- xx. Allows a subtraction up to **\$1,000 for donations** of certain disposable diapers, certain hygiene products, and certain monetary gifts made by a taxpayer during the taxable year to certain qualified charitable entities. Attach documentation.
- ya. Allows a subtraction up to \$100,000 for resident taxpayers who are **at least 100 years of age** at the end of the taxable year (See Instructions.)
- yb. Allows a certain subtraction for the amount of ordinary and necessary expenses for State licensed **cannabis** businesses (See Instructions.)