

Senior Citizens and Maryland Income Tax

I. General Information.

A. Filing threshold.

Taxpayers who are 65 or older are only required to file a Maryland Income Tax Return if their gross income is greater than the amount listed in the chart below.

Minimum filing levels for tax year 2024
Taxpayers age 65 or older
Do not include Social Security or Railroad Retirement income benefits when
determining income for minimum filing levels.

Filing Status	Gross Income
Single, 65 or older	\$16,550
Joint return, one spouse 65 or older	\$30,750
Joint return, both spouses 65 or older	\$32,300
Married filing separately, 65 or older	\$14,600
Head of household, 65 or older	\$23,850
Qualifying surviving spouse, 65 or older	\$30,750

B. State income tax rate.

As of January 1, 2014, and through Tax Year 2024, Maryland’s graduated personal income tax rates start at 2% on the first \$1,000 of taxable income and increase up to a maximum of 5.75% on income exceeding \$250,000 for single filers, \$300,000 if filing jointly. See [Maryland Income Tax Rates](#).

C. Local income tax rate.

The local income tax is calculated as a percentage of your taxable income. There are new local tax brackets for tax year 2024 for Anne Arundel and Frederick Counties. See [Local Income Tax Rates](#), or Instruction 19 in the Maryland resident tax booklet, for the local tax rates for all 23 counties and Baltimore City.

II. Credits, Subtractions, Exclusions, and Exemptions.

A. Senior tax credit.

Residents who are at least 65 on the last day of the tax year may be eligible for a nonrefundable tax credit. If a taxpayer’s federal adjusted gross income does not exceed \$100,000 (if filing single), the amount of the tax credit is equal to \$1,000. For married filing jointly, qualifying surviving spouse, and head of household taxpayers whose federal adjusted gross income does not exceed \$150,000, the credit amount is \$1,750 (reduced to \$1,000 if only one spouse filing jointly is at least age 65). Part-year residents are not required to prorate the credit amount.

To claim this credit, complete Part M of Maryland Form 502CR and follow the instructions for reporting total credits on Maryland Form 502.

B. Subtraction for military retirees.

If a taxpayer is a military retiree, or the spouse or ex-spouse of a military retiree, and receives

military retirement income, including death benefits, the taxpayer may be able to subtract military retirement income from their federal adjusted gross income. Taxpayers at least 55 years of age on the last day of the taxable year may subtract up to \$20,000 of military retirement income, received in the taxable year. Taxpayers under the age of 55 on the last day of the taxable year may subtract up to \$12,500 of military retirement income received in the taxable year.

To qualify, the taxpayer or their spouse or ex-spouse must have been a member of an active or reserve component of the U.S. armed forces, a member of the Maryland National Guard, or the taxpayer must have retired from active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey.

To subtract the military retirement income, complete Maryland Form 502 and follow the instructions included in the Maryland resident tax booklet for line 13. List code letter “u” on line 13 and attach Maryland Form 502SU. Additionally, enter the amount from line “u” from Maryland Form 502SU on Part 5, line 10 on Maryland Form 502R.

C. Subtraction for public safety retirees.

If a taxpayer is a public safety retiree and receives public safety retirement income, the taxpayer may be able to subtract public safety retirement income from their federal adjusted gross income. Taxpayers who were 55 or older on the last day of the taxable year may subtract up to \$15,000 of public safety retirement income, received in the taxable year.

To qualify, a taxpayer must be a retired correctional officer, a retired law enforcement officer, or a retired fire, rescue, or emergency services personnel of the federal government, Maryland, or a political subdivision of Maryland. Only subtract income included on the federal return as taxable income received as a pension, annuity or endowment from an employee retirement system qualified under Section 401(a), 403 or 457(b) of the Internal Revenue Code.

To subtract the public safety retirement income, complete Maryland Form 502 and follow the instructions included in the Maryland resident tax booklet for line 13. List code letter “v” on line 13 and attach Maryland Form 502SU. Additionally, enter the amount from line “v” from Maryland Form 502SU on Part 5, line 10 on Maryland Form 502R.

D. Subtraction for centenarians.

If a taxpayer is at least 100 years old on the last day of the year, they may subtract up to \$100,000 of income. To subtract the income, complete Maryland Form 502 and follow the instructions included in the Maryland resident tax booklet for line 13. List code letter “ya” on line 13 and attach Maryland Form 502SU.

E. Subtraction for two-income married couple.

Married senior citizens who both receive wages, interest, pension, business, or other types of income and file a joint return can subtract up to \$1,200 or the income of the spouse with the lower income, whichever is less. A worksheet is included on page 10 of the instructions in the Maryland resident tax booklet to help two-income couples calculate the correct subtraction amount for their situation.

F. Pension exclusion.

Maryland's maximum pension exclusion of \$39,500 is available to taxpayers if:

- 1) On the last day of the tax year:
 - the taxpayer was 65 or older, **or**

- Taxpayer is totally disabled; **or**
- Taxpayer's spouse was totally disabled;

AND

- 2) The taxpayer included taxable income received as a pension, annuity, or endowment from an "employee retirement system" qualified under Sections 401(a), 403 or 457(b) of the Internal Revenue Code on their federal return. A traditional IRA, a Roth IRA, a rollover IRA, a simplified employee plan (SEP), a Keogh plan, an ineligible deferred compensation plan, or foreign retirement income does not qualify.

To claim the pension exclusion, complete the computation for the exclusion on the Pension Exclusion Computation Worksheet (13A), which is included in Instruction 13. Enter the qualifying pension and retirement annuity included in federal adjusted gross income on line 1 of the Pension Exclusion Computation Worksheet. Enter all benefits received under the Social Security Act and/or Railroad Retirement Act on line 3 of the Pension Exclusion Computation Worksheet, not just the benefits included in federal adjusted gross income. Transfer the amount from line 5 of the worksheet to line 10a on Maryland Form 502 and to Part 6, line 11 on Maryland Form 502R.

G. Personal exemptions.

If a taxpayer has federal adjusted gross income of up to \$100,000 (up to \$150,000 if filing jointly), they are entitled to a \$3,200 exemption on Maryland Form 502 for each exemption. For taxpayers with higher incomes, the exemption amount is limited. See the Exemption Amount Chart in Instruction 10 of the Maryland resident tax booklet.

A taxpayer and their spouse may claim an additional \$1,000 exemption on the Maryland income tax return for being 65 years of age or older, or blind. A taxpayer who turns 65 or becomes blind after the last day of the taxable year, but before they file their return, does not qualify for the additional exemption.

If any dependent claimed is 65 or older, a taxpayer can also receive an additional exemption of up to \$3,200. On Maryland Form 502B, check both boxes 4 and 5 for each dependent who is age 65 or older and provide the date(s) of birth for all individuals listed.

Enter the total exemption amount on Maryland Form 502 in Part D of the Exemptions section.

III. Social Security Benefits.

Social Security benefits and Railroad Retirement benefits provided under the U.S. Railroad Retirement Act are not taxed in Maryland. Taxpayers affected by the federal tax on Social Security and/or Railroad Retirement benefits can continue to exempt those benefits from state tax. Enter on line 11 of Maryland Form 502, and Part 5, line 9 on Maryland Form 502R, all Railroad Retirement benefits and/or Social Security benefits that were taxable on your federal return and included on line 1 of Maryland Form 502.

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