

BY: Senator Roesser

AMENDMENTS TO HOUSE BILL NO. 190
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike "Tax" and substitute "and Income Taxes"; in line 3, after "of" insert "altering a certain tax rate under the Maryland State income tax on individuals for certain taxable years; altering the amount that an individual may deduct for certain exemptions to determine Maryland taxable income for purposes of the State income tax for certain taxable years; altering the amount of a certain subtraction modification for two-income married couples filing joint returns for certain taxable years;"; strike line 17 in its entirety and substitute "and generally relating to income and tobacco taxes."; and strike line 20 in its entirety and substitute:

"Section 10-105(a), 10-207(r), 10-211, 12-105, and 12-303(b)".

AMENDMENT NO. 2

On page 2, after line 33, insert:

"10-105.

(a) The State income tax rate for an individual is:

(1) 2% of Maryland taxable income of \$1 through \$1,000;

(2) 3% of Maryland taxable income of \$1,001 through \$2,000;

(3) 4% of Maryland taxable income of \$2,001 through \$3,000; and

(4) 4.75% [for] OF Maryland taxable income in excess of \$3,000 [;

(i) 4.875% for a taxable year beginning after December 31, 1997 but

(Over)

before January 1, 1999;

(ii) 4.85% for a taxable year beginning after December 31, 1998 but before January 1, 2000;

(iii) 4.85% for a taxable year beginning after December 31, 1999 but before January 1, 2001;

(iv) 4.8% for a taxable year beginning after December 31, 2000 but before January 1, 2002; and

(v) 4.75% for a taxable year beginning after December 31, 2001].

10-207.

(r) (1) In this subsection, “modified Maryland adjusted gross income” means Maryland adjusted gross income determined separately for each spouse on a joint return without regard to the subtraction allowed under this subsection.

(2) Subject to the limitation under paragraph (3) of this subsection, for a two-income married couple filing a joint return, the subtraction under subsection (a) of this section includes the modified Maryland adjusted gross income of the spouse with the lesser modified Maryland adjusted gross income for the taxable year.

(3) The subtraction under paragraph (2) of this subsection may not exceed \$1,105[:

(i) \$1,154 for a taxable year beginning after December 31, 1997 but before January 1, 1999;

(ii) \$1,144 for a taxable year beginning after December 31, 1998 but before January 1, 2000;

(iii) \$1,144 for a taxable year beginning after December 31, 1999 but before January 1, 2001;

(iv) \$1,125 for a taxable year beginning after December 31, 2000 but before January 1, 2002; and

(v) \$1,105 for a taxable year beginning after December 31, 2001].

10-211.

Whether or not a federal return is filed, to determine Maryland taxable income, an individual other than a fiduciary may deduct as an exemption:

(1) \$2,400 for each exemption that the individual may deduct in the taxable year to determine federal taxable income under § 151 of the Internal Revenue Code [:

(i) \$1,750 for a taxable year beginning after December 31, 1997 but before January 1, 1999;

(ii) \$1,850 for a taxable year beginning after December 31, 1998 but before January 1, 2000;

(iii) \$1,850 for a taxable year beginning after December 31, 1999 but before January 1, 2001;

(iv) \$2,100 for a taxable year beginning after December 31, 2000 but before January 1, 2002; and

(v) \$2,400 for a taxable year beginning after December 31, 2001];

(2) AN ADDITIONAL \$2,400 for each dependent, as defined in § 152 of the Internal Revenue Code, who is at least 65 years old on the last day of the taxable year[, an additional:

(i) \$1,750 for a taxable year beginning after December 31, 1997 but before January 1, 1999;

(ii) \$1,850 for a taxable year beginning after December 31, 1998 but before January 1, 2000;

(Over)

(iii) \$1,850 for a taxable year beginning after December 31, 1999 but before January 1, 2001;

(iv) \$2,100 for a taxable year beginning after December 31, 2000 but before January 1, 2002; and

(v) \$2,400 for a taxable year beginning after December 31, 2001];

(3) an additional \$1,000 if the individual, on the last day of the taxable year, is at least 65 years old; and

(4) an additional \$1,000 if the individual, on the last day of the taxable year, is a blind individual, as described in § 10-208(c) of this subtitle.”.

AMENDMENT NO. 3

On page 11, in line 41, after the period, insert “The changes to the income tax under §§ 10-105(a), 10-207(r), and 10-211 of the Tax - General Article as enacted under Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 1999.”.