

BY: Delegate Flanagan

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

AMENDMENT NO. 1

On page 1, in line 2, after "Tax" insert "- Individual Income Tax Credit"; in line 4, after "cigarettes;" insert "providing for the distribution of certain tobacco tax revenue to a special fund to be used only for certain purposes; requiring the Comptroller to make a certain computation; allowing an individual a credit against the State income tax in certain amounts for certain exemptions allowed;"; in line 17, strike beginning with "the" through "products" and substitute "taxes"; and in line 20, strike "12-105" and substitute "2-1603, 12-105,".

On page 2, in line 11, after "Section" insert "10-712,".

AMENDMENT NO. 2

On page 2, after line 28, insert:

"2-1603.

(A) [After] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AFTER making the distributions required under §§ 2-1601 and 2-1602 of this subtitle, the Comptroller shall distribute the remaining tobacco tax revenue to the General Fund of the State.

(B) (1) FOR EACH FISCAL YEAR, BEFORE MAKING THE DISTRIBUTION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE TO A SPECIAL FUND 100% OF THE ADDITIONAL TOBACCO TAX REVENUES RESULTING FROM THE INCREASE IN THE TOBACCO TAX RATE FOR CIGARETTES UNDER CHAPTER _____ (H.B. 190) OF THE ACTS OF THE GENERAL ASSEMBLY OF 1999, AS DETERMINED BY THE COMPTROLLER.

(2) THE MONEYS IN THE SPECIAL FUND ESTABLISHED UNDER THIS

(Over)

SUBSECTION MAY BE USED ONLY FOR THE PURPOSE OF OFFSETTING THE REVENUE REDUCTIONS FOR EACH FISCAL YEAR RESULTING FROM THE INCOME TAX CREDIT ALLOWED UNDER § 10-712 OF THIS ARTICLE.”

10-712.

(A) (1) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) THE STATE INCOME TAX FOR THE TAXABLE YEAR; OR

(II) THE PRODUCT OF MULTIPLYING THE NUMBER OF EXEMPTIONS ALLOWED FOR THE TAXABLE YEAR UNDER § 10-211(1) AND (2) OF THIS TITLE TIMES THE PER EXEMPTION CREDIT AMOUNT DETERMINED BY THE COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION.

(2) OF THE AMOUNT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION, AN INDIVIDUAL WHO IS A NONRESIDENT OR IS A RESIDENT OF THE STATE FOR ONLY A PART OF THE YEAR IS ALLOWED ONLY A FRACTION:

(I) THE NUMERATOR OF WHICH IS THE INDIVIDUAL'S MARYLAND ADJUSTED GROSS INCOME; AND

(II) THE DENOMINATOR OF WHICH IS THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME.

(B) (1) THE PER EXEMPTION CREDIT AMOUNT FOR EACH CALENDAR YEAR EQUALS THE AMOUNT DETERMINED BY DIVIDING THE BALANCE OF THE SPECIAL FUND ESTABLISHED UNDER § 2-1603(B) OF THIS ARTICLE AS OF JUNE 30 OF THE CALENDAR YEAR BY THE TOTAL NUMBER OF EXEMPTIONS UNDER § 10-211(1) AND (2) OF THIS TITLE CLAIMED BY ALL INDIVIDUALS FOR THE PRECEDING CALENDAR YEAR.

(2) ON OR BEFORE OCTOBER 1 OF EACH CALENDAR YEAR, THE

COMPTROLLER SHALL DETERMINE THE PER EXEMPTION CREDIT AMOUNT FOR TAXABLE YEARS BEGINNING DURING THE CALENDAR YEAR.”.

On page 11, in line 36, after the period, insert “The income tax credit under § 10-712 of the Tax - General Article shall be applicable to all taxable years beginning after December 31, 1999.”.