BY: Budget and Taxation Committee

<u>AMENDMENTS TO HOUSE BILL NO. 1149</u>
(Third Reading File Bill)

<u>AMENDMENT NO. 1</u>
          On page 1, strike beginning with "altering" in line 6 down through "income;" in line 8; strike beginning with "allowing" in line 9 down through "allowed;" in line 11; in line 11, strike "a credit" and substitute "<u>certain credits</u>"; in line 12, strike "in a certain amount" and substitute "<u>under certain circumstances</u>"; in the same line, after "Act;" insert "<u>providing for a delayed effective date for part of this Act;</u>"; and in line 16, strike "10-211,".

          On pages 1 and 2, strike in their entirety the lines beginning with line 20 on page 1 through line 3 on page 2, inclusive, and substitute:

"<u>BY repealing and reenacting, with amendments,</u>
          <u>Article - Tax - General</u>
          <u>Section 2-607(b) and 10-106(a)(3)</u>
          <u>Annotated Code of Maryland</u>
          <u>(1997 Replacement Volume and 1998 Supplement)</u>
          <u>(As enacted by Section 1 of this Act)</u>".

<u>AMENDMENT NO. 2</u>
          On page 3, strike beginning with "3%" in line 15 through "INCOME" in line 16, and substitute "<u>THE PERCENTAGE OF AN INDIVIDUAL'S MARYLAND TAXABLE INCOME AS FOLLOWS:</u>

                    (I)   <u>3.05% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1998 BUT BEFORE JANUARY 1, 2001;</u>

                    (II)   <u>3.10% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2000 BUT BEFORE JANUARY 1, 2002; AND</u>

(III)   3.20% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2001";

and in line 32, strike "ONE-TWENTIETH" and substitute "ONE ONE-HUNDREDTH".

AMENDMENT NO. 3
On pages 4 and 5, strike in their entirety the lines beginning with line 31 on page 4 through line 25 on page 5, inclusive.

On page 7, in line 29, strike the first comma and substitute "OR"; in the same line, strike ", OR § 10-712(A)"; in line 31, strike the first comma and substitute "OR"; and in the same line, strike ", OR § 10-712(B)".

AMENDMENT NO. 4
On pages 9 and 10, strike in their entirety the lines beginning with line 14 on page 9 through line 2 on page 10, inclusive.

On page 10, after line 8, insert:

"SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

2-607.

(b)   If the county income tax rate for a county is less than [2.5%] 2.6%, the amount determined under subsection (a)(1) of this section shall be multiplied by a fraction:

(1)   the numerator of which is [2.5%] 2.6%; and

(2)   the denominator of which is the county income tax rate for the county.

10-106.

(a)   (3)   (i)   A county may not increase its county income tax rate above [2.5%] 2.6% until after the county has held a public hearing on the proposed act, ordinance, or resolution to increase the rate.

         (ii)   The county shall publish at least once each week for 2 successive weeks in a newspaper of general circulation in the county:

              1.   notice of the public hearing; and

              2.   a fair summary of the proposed act, ordinance, or resolution to increase the county income tax rate above [2.5%] 2.6%.";

in lines 9, 15, and 17, strike "2.", "3.", and "4.", respectively, and substitute "3.", "4.", and "6.", respectively; in line 15, after "That" insert ", except as provided in Section 5 of this Act,"; and after line 16, insert:

"SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2001 and shall be applicable to all taxable years beginning after December 31, 2001.".

AMENDMENT NO. 5
On page 10, in line 10, after "law" insert "and except as provided in this section"; in the same line, strike "for calendar year"; in line 11, strike "1999"; and strike beginning with "5%" in line 11 down through "Act." in line 14 and substitute "determined by the table set forth in this section. In lieu of the use of the table contained in this section for determining the county income tax rate, the county tax rate in each county for all calendar years after 1999 may be established by the county in accordance with § 10-106 of the Tax - General Article.

	1999	2000	2001	2002
Allegany	2.83%	2.82%	2.87%	2.93%
Anne Arundel	2.51%	2.50%	2.53%	2.56%
Baltimore	2.77%	2.76%	2.79%	2.83%

Baltimore City	2.50%	2.48%	2.51%	2.54%
Calvert	2.52%	2.52%	2.55%	2.60%
Caroline	3.04%	3.02%	3.08%	3.16%
Carroll	2.77%	2.77%	2.80%	2.85%
Cecil	2.52%	2.51%	2.55%	2.60%
Charles	2.52%	2.51%	2.55%	2.59%
Dorchester	2.52%	2.51%	2.56%	2.62%
Frederick	2.52%	2.51%	2.55%	2.59%
Garrett	2.54%	2.53%	2.58%	2.65%
Harford	2.52%	2.51%	2.55%	2.59%
Howard	2.41%	2.41%	2.43%	2.45%
Kent	2.52%	2.51%	2.54%	2.58%
Montgomery	3.01%	3.00%	3.02%	3.05%
Prince George's	3.01%	3.00%	3.04%	3.10%
Queen Anne's	2.77%	2.76%	2.80%	2.85%
St. Mary's	2.92%	2.92%	2.97%	3.03%
Somerset	3.03%	3.01%	3.08%	3.15%
Talbot	1.76%	1.75%	1.77%	1.79%
Washington	2.52%	2.51%	2.55%	2.60%
Wicomico	3.02%	3.01%	3.05%	3.10%
Worcester	1.01%	1.00%	1.02%	1.04%".