

**SB0002/605260/1**

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 2  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “and Transportation Investment”; strike beginning with “altering” in line 5 down through “tax;” in line 6; strike beginning with “additional” in line 9 down through “age;” in line 11 and substitute “certain exemptions under certain circumstances;”.

On pages 1 and 2, strike beginning with “imposing” in line 22 on page 1 down through “applies;” in line 3 on page 2.

On page 2, strike beginning with “establishing” in line 8 down through “entertainment;” in line 16; strike beginning with “designating” in line 18 down through “buyer;” in line 29.

On page 3, strike beginning with “altering” in line 23 down through “years;” in line 29.

On pages 3 and 4, strike beginning with “altering” in line 37 on page 3 down through “fund;” in line 2 on page 4.

On page 4, strike beginning with “requiring” in line 4 down through “date;” in line 6; in line 13, after “circumstances;” insert “requiring the Comptroller to submit certain reports to the Governor and General Assembly;”; and in line 14, after “Act;” insert “providing for the termination of certain provisions of this Act;”.

AMENDMENT NO. 2

On page 4, in line 18, after “10-207(r),” insert “and”; in lines 18 and 19, strike “and 12-303(b)”; in line 24, strike “2-202;”; in the same line, strike “2-1103, 2-1303, 4-”.

(Over)

105(b),”; in line 25, strike “10-101(k)(1)(i).”; in line 27, strike “(k)(2) and”; strike beginning with “10-811,” in line 27 down through “12-302(a)” in line 30 and substitute “11-105, and 11-219”; and strike in their entirety lines 36 and 37 and substitute:

“Section 2-613.1, 10-110, 10-804.1, and 11-101(c-1)”.

On page 5, strike in their entirety lines 1 through 25, inclusive.

On pages 5 and 6, strike in their entirety the lines beginning with line 31 on page 5 through line 11 on page 6, inclusive.

AMENDMENT NO. 3

On page 7, strike in their entirety lines 1 through 7, inclusive.

AMENDMENT NO. 4

On page 7, in line 30, strike “**\$500,000**” and substitute “**\$300,000**;

**(VI) 5.25% OF MARYLAND TAXABLE INCOME OF \$300,001 THROUGH \$500,000**”.

On page 8, in line 1, strike “**(VI)**” and substitute “**(VII)**”; in line 25, strike “**\$500,000**” and substitute “**\$350,000**;

**(VI) 5.25% OF MARYLAND TAXABLE INCOME OF \$350,001 THROUGH \$500,000**”;

and in line 26, strike “**(VI)**” and substitute “**(VII)**”.

AMENDMENT NO. 5

On page 9, in line 23, strike “Whether” and substitute “(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, WHETHER”; and in line 25, strike “\$2,600” and substitute “\$3,200”.

On page 10, in line 5, strike “\$2,600” and substitute “\$3,200”; in lines 18 and 20, in each instance, strike the brackets; in lines 18 and 20, in each instance, strike “\$2,000”; and after line 21, insert:

“(B) (1) IF AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN SUBSECTION (C) OF THIS SECTION HAS FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR GREATER THAN \$100,000, THE AMOUNT ALLOWED FOR EACH EXEMPTION UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION IS LIMITED TO:

(I) \$2,400 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED \$125,000;

(II) \$1,800 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$125,000 BUT NOT GREATER THAN \$150,000;

(III) \$1,200 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$150,000 BUT NOT GREATER THAN \$200,000;  
AND

(IV) \$600 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$200,000.

(2) IF A MARRIED COUPLE FILING A JOINT RETURN OR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE HAS FEDERAL ADJUSTED GROSS

(Over)

INCOME FOR THE TAXABLE YEAR GREATER THAN \$150,000, THE AMOUNT ALLOWED FOR EACH EXEMPTION UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION IS LIMITED TO:

(I) \$2,400 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED \$175,000;

(II) \$1,800 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$175,000 BUT NOT GREATER THAN \$200,000;

(III) \$1,200 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$200,000 BUT NOT GREATER THAN \$250,000;  
AND

(IV) \$600 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$250,000.”.

On page 11, strike beginning with “for” in line 31 down through “exemptions” in line 32.

AMENDMENT NO. 6

On page 17, in line 7, strike the brackets; in the same line, strike “**SUBSECTION (B)**”; strike beginning with “**THE**” in line 9 down through “**(I)**” in line 10; strike beginning with “**;** **OR**” in line 11 down through “**RETURN**” in line 12; strike beginning with the colon in line 20 down through “**(I)**” in line 21 and substitute a comma; in line 23, strike “**;** **AND**” and substitute a period; in line 24, strike “**(II)**” and substitute “**(C)**”  
**FROM JANUARY 3, 2008 THROUGH JUNE 30, 2011:**

(1) THE CREDIT ALLOWED UNDER SUBSECTION (A) OF THIS SECTION MAY NOT EXCEED \$500 FOR EACH RETURN; AND

**(2) FOR A VENDOR WHO FILES OR IS ELIGIBLE TO FILE A CONSOLIDATED RETURN UNDER § 11-502 OF THIS TITLE;**

and in line 26, strike “**\$1,000**” and substitute “**\$500**”.

**AMENDMENT NO. 7**

On page 23, in line 4, strike “**AND**”; after line 4, insert:

**“(V) DATA PROCESSING, STORAGE, AND RECOVERY;”**

in line 5, strike “**(V)**” and substitute “**(VI)**”; in lines 5 and 6, strike “**OR MAINTENANCE**” and substitute “**, MAINTENANCE, AND REPAIR**”; strike in their entirety lines 7 through 9, inclusive, and substitute:

**“(2) “COMPUTER SERVICE” DOES NOT INCLUDE:**

**(I) INTERNET ACCESS, AS DEFINED IN THE FEDERAL INTERNET TAX FREEDOM ACT;**

**(II) TYPING OR DATA ENTRY ON WORD PROCESSING EQUIPMENT;**

**(III) COMPUTER TRAINING;**

**(IV) THE INSTALLATION, MAINTENANCE, OR REPAIR OF TANGIBLE PERSONAL PROPERTY OTHER THAN COMPUTER HARDWARE OR SOFTWARE THAT INCLUDES COMPUTER HARDWARE OR SOFTWARE AS A COMPONENT PART; OR**

(Over)

**(V) A SERVICE OTHERWISE DESCRIBED IN PARAGRAPH (1)  
OF THIS SUBSECTION THAT IS PROVIDED AS PART OF OR IN CONNECTION WITH:**

**1. ELECTRONIC FUND TRANSFERS, FINANCIAL  
TRANSACTIONS, AUTOMATED TELLER MACHINE TRANSACTIONS, OR OTHER  
BANKING OR TRUST SERVICES;**

**2. BUSINESS MANAGEMENT, ACCOUNT  
MANAGEMENT, PERSONNEL, PAYROLL, EMPLOYEE BENEFIT, OR OTHER  
ADMINISTRATIVE SERVICES;**

**3. EDUCATIONAL, LEGAL, ACCOUNTING,  
ARCHITECTURAL, ACTUARIAL, MEDICAL, MEDICAL DIAGNOSTIC, OR OTHER  
PROFESSIONAL SERVICES; OR**

**4. TELECOMMUNICATIONS SERVICES.”;**

and strike in their entirety lines 16 through 23, inclusive.

On page 25, strike in their entirety lines 20 through 28, inclusive.

On page 61, strike in their entirety lines 22 through 31, inclusive, and substitute:

**“SECTION 9. AND BE IT FURTHER ENACTED, That, on or before December 1, 2009, and December 1, 2011, the Comptroller shall report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly, on the implementation of the imposition of the sales and use tax on the sale of computer services, as provided for under this Act, and the impact on sales and use tax revenues as a result of the imposition of the sales and use tax on the sale of computer services.”.**

On page 63, in line 29, after “2008.” insert “Section 3 shall remain effective for a period of 5 years and, at the end of June 30, 2013, with no further action required by the General Assembly, Section 3 of this Act shall be abrogated and of no further force and effect.”.

AMENDMENT NO. 8

On page 30, in line 24, strike “FOR FISCAL YEARS 2008 AND 2009 ONLY,”; in line 26, strike “MONTHLY”; and strike in their entirety lines 27 through 29, inclusive, and substitute:

“(I) FOR FISCAL YEAR 2008 ONLY:

1. \$16,000,000 TO THE HIGHER EDUCATION INVESTMENT FUND ESTABLISHED UNDER § 15-106.6 OF THE EDUCATION ARTICLE; AND

2. THE AMOUNT BY WHICH 15.15% OF THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS EXCEEDS \$16,000,000 TO THE GENERAL FUND; AND

“(II) FOR FISCAL YEAR 2009 ONLY:

1. 6% TO THE HIGHER EDUCATION INVESTMENT FUND ESTABLISHED UNDER § 15-106.6 OF THE EDUCATION ARTICLE; AND

2. 9.15% TO THE GENERAL FUND; AND”.

On page 31, in line 2, strike “12.5%” and substitute “15.15%”; and in line 20, strike “8%” and substitute “8.25%”.

On page 61, in line 20, strike “125%” and substitute “130%”.

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On page 63, strike beginning with “if” in line 14 down through “State,” in line 16 and substitute “if the General Assembly determines it to be affordable and fiscally prudent to do so, legislation shall be adopted by the General Assembly in 2009 to continue”; and in line 22, strike “continue”.

AMENDMENT NO. 9

On page 36, in line 16, after “**PUBLIC**” insert “, **EACH OF WHOM SHALL BE AN ATTORNEY AT LAW OR AN ACCOUNTANT**”.

On page 37, in line 21, in each instance, strike “October” and substitute “December”.

On page 39, in lines 18 and 20, in each instance, before “**PERFORMING**” insert “**REGULARLY AND SYSTEMATICALLY**”.

On page 41, in line 7, strike “**4-DIGIT**” and substitute “**6-DIGIT**”.

AMENDMENT NO. 10

On page 54, in lines 7, 9, and 12, in each instance, strike “**90%**” and substitute “**80%**”.

On page 55, in line 5, strike “**90%**” and substitute “**80%**”; in line 10, strike “**AS**”; and strike beginning with “**BY**” in line 10 down through “**TRANSFER**” in line 11.

On page 57, strike in their entirety lines 20 through 25, inclusive; in line 26, strike “**(7)**” and substitute “**(6)**”; and in line 29, strike “**(6)**” and substitute “**(5)**”.

On page 63, strike beginning with the semicolon in line 35 down through “**2008**” in line 37.

AMENDMENT NO. 11

On pages 14 through 17, strike in their entirety the lines beginning with line 34 on page 14 through line 5 on page 17, inclusive.

On pages 18 through 22, strike in their entirety the lines beginning with line 6 on page 18 through line 4 on page 22, inclusive.

On page 22, after line 24, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:”.

On pages 25 through 28, strike in their entirety the lines beginning with line 29 on page 25 through line 21 on page 28, inclusive.

On pages 45 through 53, strike in their entirety the lines beginning with line 25 on page 45 through line 20 on page 53, inclusive, and substitute:

“SECTION 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:”.

On page 60, strike in their entirety lines 29 through 33, inclusive.

On page 61, in line 1, strike “11.” and substitute “8.”; and in line 32, strike “13.” and substitute “10.”.

On page 62, strike in their entirety lines 3 through 36, inclusive.

On page 63, in line 23, strike the second comma; strike in their entirety lines 26 and 27; strike in their entirety lines 30 through 32, inclusive; in lines 13, 23, 28, 33, and 38, strike “17.”, “18.”, “20.”, “22.”, and “23.”, respectively, and substitute “11.”, “12.”, “13.”, “14.”, and “15.”, respectively; in line 33, strike “9” and substitute “7”; in

(Over)

line 39, strike "18" and substitute "12"; and in the same line, strike "22" and substitute "14".