

SB1302/733926/1

BY: Delegate Barkley

AMENDMENTS TO SENATE BILL 1302  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “altering” in line 3 down through “circumstances;” in line 5; in line 8, after “Code;” insert “altering, for certain taxable years, the percentage of the federal earned income credit used for determining the amount that an individual may claim as a refund under the State earned income tax credit under certain circumstances; increasing the sales and use tax rate; altering the percentage of gross receipts from vending machine sales to which the sales and use tax rate applies; creating the Mass Transit Account in the Transportation Trust Fund to be used to pay the cost of certain transit facilities and transit service in the State;”; strike beginning with “requiring” in line 19 down through “extent;” in line 21 and substitute “requiring the Comptroller to pay into the Mass Transit Account a certain amount of revenue from the increase in the sales and use tax rate under this Act;”; and strike beginning with “repealing” in line 23 down through “provision;” in line 24.

On page 2, in line 7, strike “10-105(a), 10-211(b)” and substitute “10-704(b), 11-104(a) and (b), 11-301”; in line 12, strike “10-211(a)” and substitute “10-704(a)”; and after line 19, insert:

“BY repealing and reenacting, with amendments,

Article - Transportation

Section 3-216(c)

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)

BY adding to

Article - Transportation

(Over)

Section 7-309  
Annotated Code of Maryland  
(2008 Replacement Volume and 2011 Supplement)".

AMENDMENT NO. 2

On pages 3 and 4, strike in their entirety the lines beginning with line 4 on page 3 through line 19 on page 4, inclusive.

On pages 4 through 6, strike in their entirety the lines beginning with line 29 on page 4 through line 2 on page 6, inclusive.

On page 6, after line 5, insert:

"10-704.

(a) (1) An individual may claim a credit against the State income tax for a taxable year in the amount determined under subsection (b) of this section for earned income.

(2) An individual may claim a credit against the county income tax for a taxable year in the amount determined under subsection (c) of this section for earned income.

(b) (1) Except as provided in paragraph (2) of this subsection and subject to subsection (d) of this section, the credit allowed against the State income tax under subsection (a)(1) of this section is the lesser of:

(i) 50% of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code; or

(ii) the State income tax for the taxable year.

(2) (I) An individual may claim a refund in the amount, if any, by which [25%] THE APPLICABLE PERCENTAGE SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code exceeds the State income tax for the taxable year.

(II) THE APPLICABLE PERCENTAGE OF THE EARNED INCOME CREDIT ALLOWABLE UNDER § 32 OF THE INTERNAL REVENUE CODE TO BE USED FOR PURPOSES OF DETERMINING THE REFUND PROVIDED UNDER THIS PARAGRAPH IS:

1. 26% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2011, BUT BEFORE JANUARY 1, 2013;

2. 27% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2012, BUT BEFORE JANUARY 1, 2014;

3. 28% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2013, BUT BEFORE JANUARY 1, 2015;

4. 29% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2014, BUT BEFORE JANUARY 1, 2016; AND

5. 30% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2015.

11-104.

(a) Except as otherwise provided in this section, the sales and use tax rate is:

(Over)

- (1) for a taxable price of less than \$1:
  - [(i) 1 cent if the taxable price is 20 cents;
  - (ii) 2 cents if the taxable price is at least 21 cents but less than 34 cents;
  - (iii) 3 cents if the taxable price is at least 34 cents but less than 51 cents;
  - (iv) 4 cents if the taxable price is at least 51 cents but less than 67 cents;
  - (v) 5 cents if the taxable price is at least 67 cents but less than 84 cents; and
  - (vi) 6 cents if the taxable price is at least 84 cents; and
- (2) for a taxable price of \$1 or more:
  - (i) 6 cents for each exact dollar; and
  - (ii) for that part of a dollar in excess of an exact dollar:
    - 1. 1 cent if the excess over an exact dollar is at least 1 cent but less than 17 cents;
    - 2. 2 cents if the excess over an exact dollar is at least 17 cents but less than 34 cents;
    - 3. 3 cents if the excess over an exact dollar is at least 34 cents but less than 51 cents;

4. 4 cents if the excess over an exact dollar is at least 51 cents but less than 67 cents;

5. 5 cents if the excess over an exact dollar is at least 67 cents but less than 84 cents; and

6. 6 cents if the excess over an exact dollar is at least 84 cents.]

**(I) 1 CENT IF THE TAXABLE PRICE IS 14 CENTS;**

**(II) 2 CENTS IF THE TAXABLE PRICE IS AT LEAST 15 CENTS BUT LESS THAN 29 CENTS;**

**(III) 3 CENTS IF THE TAXABLE PRICE IS AT LEAST 29 CENTS BUT LESS THAN 43 CENTS;**

**(IV) 4 CENTS IF THE TAXABLE PRICE IS AT LEAST 43 CENTS BUT LESS THAN 57 CENTS;**

**(V) 5 CENTS IF THE TAXABLE PRICE IS AT LEAST 57 CENTS BUT LESS THAN 71 CENTS;**

**(VI) 6 CENTS IF THE TAXABLE PRICE IS AT LEAST 71 CENTS BUT LESS THAN 85 CENTS; AND**

**(VII) 7 CENTS IF THE TAXABLE PRICE IS AT LEAST 85 CENTS;**

**AND**

(Over)

**(2) FOR A TAXABLE PRICE OF \$1 OR MORE:**

**(I) 7 CENTS FOR EACH EXACT DOLLAR; AND**

**(II) FOR THAT PART OF A DOLLAR IN EXCESS OF AN EXACT DOLLAR:**

**1. 1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 1 CENT BUT LESS THAN 15 CENTS;**

**2. 2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 15 CENTS BUT LESS THAN 29 CENTS;**

**3. 3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 29 CENTS BUT LESS THAN 43 CENTS;**

**4. 4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 43 CENTS BUT LESS THAN 57 CENTS;**

**5. 5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 57 CENTS BUT LESS THAN 71 CENTS;**

**6. 6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 71 CENTS BUT LESS THAN 85 CENTS; AND**

**7. 7 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 85 CENTS.**

(b) If a retail sale of tangible personal property or a taxable service is made through a vending or other self-service machine, the sales and use tax rate is [6%] 7%, applied to [94.5%] 93.5% of the gross receipts from the vending machine sales.

11-301.

The sales and use tax is computed on:

- (1) the taxable price of each separate sale;
- (2) if a combined sale is made, the combined taxable price of all retail sales on the same occasion by the same vendor to the same buyer; or
- (3) if retail sales of tangible personal property or a taxable service are made through vending or other self-service machines, [94.5%] 93.5% of the gross receipts from the retail sales.”.

On page 6, after line 16, insert:

“Article – Transportation

3-216.

(c) (1) There shall be maintained in the Transportation Trust Fund one or more sinking fund accounts to which shall be credited and from which shall be paid, from the proceeds of the taxes levied and imposed for that purpose or from any other funds of the Department, amounts sufficient at all times to meet the debt service on all bonds of prior issues and consolidated transportation bonds from time to time outstanding and unpaid.

(Over)

(2) (i) The Gasoline and Motor Vehicle Revenue Account, the Driver Education Account, THE MASS TRANSIT ACCOUNT, and the Motorcycle Safety Program Account shall be maintained in the Transportation Trust Fund.

(ii) In each fiscal year, the Department shall budget from federal funds available to the Department, other funds in the Transportation Trust Fund, and any other funds available to the Department, an amount sufficient to fund projects and programs determined by the Secretary to be necessary to achieve the bicycle and pedestrian transportation goals identified for the fiscal year under Title 2, Subtitle 6 of this article.

**7-309.**

**(A) THERE IS A MASS TRANSIT ACCOUNT IN THE TRANSPORTATION TRUST FUND.**

**(B) THERE SHALL BE CREDITED TO THE MASS TRANSIT ACCOUNT \$300,000,000 OF THE SALES AND USE TAX REVENUE COLLECTED IN FISCAL YEAR 2013.**

**(C) FUNDS IN THE MASS TRANSIT ACCOUNT SHALL BE USED TO PAY THE COST OF TRANSIT FACILITIES AND TRANSIT SERVICE IN THE STATE.”.**

On page 8, strike beginning with “the” in line 22 down through “Act” in line 27 and substitute “, notwithstanding any other provision of law, for fiscal year 2013, the Comptroller shall pay into the Mass Transit Account established under § 7-309 of the Transportation Article, as enacted by this Act, \$300,000,000 of sales and use tax revenue collected as a result of the increase in the rate of the sales and use tax under this Act”.



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**BARKLEY**

On page 9, in line 24, strike “§§ 10-105(a) and 10-211(b)” and substitute “§ 10-704(a) and (b)”.