SENATE BILL 300

Q3

6lr2105
CF HB 161

By: **Senators Eckardt and Bates**
Introduced and read first time: January 22, 2016
Assigned to: Budget and Taxation

A BILL ENTITLED

1   AN ACT concerning

2   **Income Tax – Standard Deduction – Inflation Adjustment**

3   FOR the purpose of altering the minimum and maximum limitation amounts of certain
4   standard deductions allowed under the State income tax for certain taxable years by
5   a certain cost–of–living adjustment; and generally relating to a cost–of–living
6   adjustment for certain standard deductions allowed under the State income tax.

7   BY adding to
8   Article – Tax – General
9   Section 10–217(d)
10   Annotated Code of Maryland
11   (2010 Replacement Volume and 2015 Supplement)

12   SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13   That the Laws of Maryland read as follows:

Article – Tax – General

15   10–217.

16   **(D)   (1)   FOR EACH TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
17   **2016, EACH MINIMUM AND MAXIMUM STANDARD DEDUCTION LIMITATION AMOUNT**
18   **SPECIFIED IN SUBSECTION (C) OF THIS SECTION SHALL BE INCREASED BY AN**
19   **AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE MINIMUM AND MAXIMUM**
20   **STANDARD DEDUCTION LIMITATION AMOUNT TIMES THE COST–OF–LIVING**
21   **ADJUSTMENT SPECIFIED IN THIS SUBSECTION.**

22   **(2)   FOR PURPOSES OF THIS SUBSECTION, THE COST–OF–LIVING**
23   **ADJUSTMENT IS THE COST–OF–LIVING ADJUSTMENT WITHIN THE MEANING OF**
24   **§ 1(F)(3) OF THE INTERNAL REVENUE CODE FOR THE CALENDAR YEAR IN WHICH A**

1 TAXABLE YEAR BEGINS, AS DETERMINED BY THE COMPTROLLER BY SUBSTITUTING
2 "CALENDAR YEAR 2015" FOR "CALENDAR YEAR 1992" IN § 1(F)(3)(B) OF THE
3 INTERNAL REVENUE CODE.

4   (3) IF ANY INCREASE DETERMINED UNDER PARAGRAPH (1) OF THIS
5 SUBSECTION IS NOT A MULTIPLE OF $50, THE INCREASE SHALL BE ROUNDED DOWN
6 TO THE NEXT LOWEST MULTIPLE OF $50.

7   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2016.