

Chapter 575

(Senate Bill 184)

AN ACT concerning

Income Tax – Personal Exemptions – Alteration

FOR the purpose of altering the determination of the number of exemptions that an individual may use to calculate a certain deduction under the Maryland income tax; requiring the Bureau of Revenue Estimates, in consultation with the Consensus Revenue Monitoring and Forecasting Group, to review and update a certain report relating to certain federal tax changes and to include certain information in the updated report; requiring the Bureau to report to the Governor and the General Assembly on or before a certain date; providing for the application of this Act; and generally relating to a deduction for certain exemptions under the Maryland income tax.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–211
Annotated Code of Maryland
(2016 Replacement Volume and 2017 Supplement)

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

Article – Tax – General

10–211.

(a) **SUBJECT TO THE PROVISIONS OF THIS SECTION, AN INDIVIDUAL MAY DEDUCT AN EXEMPTION FOR:**

(1) THE TAXPAYER;

(2) THE SPOUSE OF THE TAXPAYER IF:

(I) A JOINT RETURN IS NOT MADE BY THE TAXPAYER AND THE SPOUSE; AND

(II) THE SPOUSE, FOR THE CALENDAR YEAR IN WHICH THE TAXABLE YEAR OF THE TAXPAYER BEGINS, HAS NO GROSS INCOME AND IS NOT A DEPENDENT OF ANOTHER TAXPAYER; AND

(3) EACH INDIVIDUAL WHO IS A DEPENDENT, AS DEFINED IN § 152 OF THE INTERNAL REVENUE CODE, OF THE TAXPAYER FOR THE TAXABLE YEAR.

(B) Except as provided in subsection **[(b)] (C)** of this section, whether or not a federal return is filed, to determine Maryland taxable income, an individual other than a fiduciary may deduct as an exemption:

(1) \$3,200 for each exemption that the individual may deduct **[in the taxable year to determine federal taxable income under § 151 of the Internal Revenue Code]** **UNDER SUBSECTION (A) OF THIS SECTION;**

(2) an additional \$3,200 for each dependent, as defined in § 152 of the Internal Revenue Code, who is at least 65 years old on the last day of the taxable year;

(3) an additional \$1,000 if the individual, on the last day of the taxable year, is at least 65 years old; and

(4) an additional \$1,000 if the individual, on the last day of the taxable year, is a blind individual, as described in § 10–208(c) of this subtitle.

[(b)] (C) (1) If an individual other than one described in paragraph (2) of this subsection 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)] (B)(1) OR (2)** of this section is limited to:

(i) \$1,600 if federal adjusted gross income for the taxable year does not exceed \$125,000;

(ii) \$800 if federal adjusted gross income for the taxable year is greater than \$125,000 but not greater than \$150,000; and

(iii) \$0 if federal adjusted gross income for the taxable year is greater than \$150,000.

(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 income for the taxable year greater than \$150,000, the amount allowed for each exemption under subsection **[(a)(1) or (2)] (B)(1) OR (2)** of this section is limited to:

(i) \$1,600 if federal adjusted gross income for the taxable year does not exceed \$175,000;

(ii) \$800 if federal adjusted gross income for the taxable year is greater than \$175,000 but not greater than \$200,000; and

(iii) \$0 if federal adjusted gross income for the taxable year is greater than \$200,000.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Bureau of Revenue Estimates, in consultation with the Consensus Revenue Monitoring and Forecasting Group established under § 6-105 of the State Finance and Procurement Article, shall review and update its January 2018 report entitled “The 60-Day Report: Effects of Federal Tax Law Revisions on the State of Maryland”.

(b) The updated report required under subsection (a) of this section shall, at a minimum, provide:

(1) detailed charts that provide revised information and estimates on the impacts of each relevant provision of the federal Tax Cuts and Jobs Act, including summary charts of how the provisions interact with each other and impact federal, State, and local revenues;

(2) a detailed explanation and rationale for any significant differences in the revenue estimates as compared to the original January 2018 report;

(3) information on any changes or proposed changes to federal law or regulations that may impact the revenue estimates or provisions of State law, and any resulting recommendations for changes to State law;

(4) revised estimates of the impacts of the federal Tax Cuts and Jobs Act on the State’s overall economy;

(5) a review of applicable studies by other states and organizations as to the impacts of the federal Tax Cuts and Jobs Act; and

(6) any other relevant information.

(c) The updated report required under subsection (a) of this section shall be submitted to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on or before December 15, 2018.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2017.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.

Approved by the Governor, May 15, 2018.