

SENATE BILL 631

Q3
HB 1190/18 – W&M

0lr3016
CF HB 913

By: Senator Serafini

Introduced and read first time: February 3, 2020

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Standard Deduction – Alteration and Cost of Living**

3 FOR the purpose of altering the determination of the amount of the standard deduction
4 allowed for an individual under the Maryland income tax; providing that a certain
5 cost-of-living adjustment applicable to the minimum and maximum limitation
6 amounts of certain standard deductions allowed under the Maryland income tax
7 applies beginning with a certain taxable year; providing for the application of this
8 Act; and generally relating to the standard deduction allowed under the Maryland
9 income tax.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 10–217
13 Annotated Code of Maryland
14 (2016 Replacement Volume and 2019 Supplement)

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

17 **Article – Tax – General**

18 10–217.

19 (a) (1) (i) Except as otherwise provided in this subsection, an individual
20 may elect to use the standard deduction to compute Maryland taxable income whether or
21 not the individual itemizes deductions on the individual's federal income tax return in
22 determining federal taxable income.

23 (ii) If an individual elects to use the standard deduction on the
24 federal income tax return, the individual may not take any itemized deduction in § 10–218
25 of this subtitle.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) A fiduciary may not use the standard deduction.

(b) Subject to the limitation in subsection (c) of this section, the standard deduction for an individual is an amount equal to 15% of the individual's Maryland adjusted gross income.

5 (c) (1) For an individual other than one described in paragraphs (2) and (3) of
6 this subsection, the standard deduction:

(i) may not be less than [\$1,500] \$1,550; and

(ii) may not exceed [\$2,250] \$7,500.

(2) For an individual described in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse, the standard deduction:

(i) may not be less than [\$3,000] \$3,050; and

(ii) may not exceed [\$4,500] \$10,000.

(3) For spouses on a joint return, the standard deduction:

(i) may not be less than [\$3,000] \$3,050; and

(ii) may not exceed [\$4,500] \$10,000.

16 (d) (1) For each taxable year beginning after December 31, [2018] **2020**, each
17 minimum and maximum standard deduction limitation amount specified in subsection (c)
18 of this section shall be increased by an amount equal to the product of multiplying the
19 minimum and maximum standard deduction limitation amount by the cost-of-living
20 adjustment specified in this subsection.

(2) For purposes of this subsection, the cost-of-living adjustment is the cost-of-living adjustment within the meaning of § 1(f)(3) of the Internal Revenue Code for the calendar year in which a taxable year begins, as determined by the Comptroller, by substituting “calendar year [2017] **2019**” for “calendar year 2016” in § 1(f)(3)(A) of the Internal Revenue Code.

(3) If any increase determined under paragraph (1) of this subsection is not a multiple of \$50, the increase shall be rounded down to the next lowest multiple of \$50.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019.