

SENATE BILL 310

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Q3
SB 745/97 - B&T

1998 Regular Session
8r1916

By: ~~Senator Hoffman~~ Senators Hoffman, Ruben, Boozer, Currie, Fry,
Kasemeyer, Lawlah, McFadden, Middleton, and Neall

Introduced and read first time: February 4, 1998
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 18, 1998

CHAPTER _____

1 AN ACT concerning

2 **Qualified Capital Gains - Maximum Tax**

3 FOR the purpose of allowing a credit against the Maryland individual income tax to
4 limit the amount of State and county income taxes payable for any taxable year
5 by an individual on certain capital gain income; and providing for the
6 application of this Act.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 10-706(c)
10 Annotated Code of Maryland
11 (1997 Replacement Volume)

12 BY adding to
13 Article - Tax - General
14 Section 10-709
15 Annotated Code of Maryland
16 (1997 Replacement Volume)

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

1

Article - Tax - General

2 10-706.

3 (c) (1) A credit under § 10-704 OR § 10-709 of this subtitle:

4 (i) is allowed only against the State income tax; and

5 (ii) operates to reduce the county income tax.

6 (2) (i) The county income tax is based on the amount of State income
7 tax after the State income tax is reduced by the credit.8 (ii) For purposes of determining the county income tax, the credit
9 under § 10-704 OR § 10-709 of this subtitle shall be calculated using the State income
10 tax as modified under § 10-106(d) of this title.

11 10-709.

12 (A) IN THIS SECTION, "QUALIFIED CAPITAL GAIN" MEANS THE NET CAPITAL
13 GAIN, WITHIN THE MEANING OF § 1222(11) OF THE INTERNAL REVENUE CODE, THAT:14 (1) IS INCLUDED IN THE MARYLAND ADJUSTED GROSS INCOME OF AN
15 INDIVIDUAL; AND16 (2) WOULD BE SUBTRACTED FROM FEDERAL ADJUSTED GROSS INCOME
17 UNDER § 10-210(B) OF THIS TITLE IF THE INDIVIDUAL WERE A NONRESIDENT.18 (B) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX
19 FOR A TAXABLE YEAR IN THE AMOUNT BY WHICH THE STATE INCOME TAX EXCEEDS
20 THE SUM OF:

21 (1) \$65,000; AND

22 (2) THE STATE INCOME TAX THAT WOULD BE PAYABLE ON THE
23 INDIVIDUAL'S MARYLAND TAXABLE INCOME REDUCED BY THE AMOUNT OF THE
24 INDIVIDUAL'S QUALIFIED CAPITAL GAIN.25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
27 1997.

