

SENATE BILL 628

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Q3

1998 Regular Session  
8r1034

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By: **Senators Haines, Roesser, McCabe, Craig, Stoltzfus, Colburn, Ferguson,  
and Derr**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Reduction**

3 FOR the purpose of altering a certain tax rate under the Maryland State income tax  
4 on individuals for certain taxable years; altering the amount that an individual  
5 may deduct for certain exemptions to determine Maryland taxable income for  
6 purposes of the State income tax for certain taxable years; altering the  
7 maximum amount of a certain subtraction modification for two-income married  
8 couples filing joint returns for certain taxable years; providing for the  
9 application of this Act; and generally relating to the State income tax.

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - General  
12 Section 10-105(a), 10-207(r), and 10-211  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume)

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

17 **Article - Tax - General**

18 10-105.

19 (a) The State income tax rate for an individual is:

- 20 (1) 2% of Maryland taxable income of \$1 through \$1,000;  
21 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;  
22 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and  
23 (4) for Maryland taxable income in excess of \$3,000:

24 (i) [4.95%] 4.925% for a taxable year beginning after December  
25 31, 1997 but before January 1, 1999;

1 (ii) [4.9%] 4.85% for a taxable year beginning after December 31,  
2 1998 but before January 1, 2000; AND

3 (iii) [4.85% for a taxable year beginning after December 31, 1999  
4 but before January 1, 2001;

5 (iv) 4.8% for a taxable year beginning after December 31, 2000 but  
6 before January 1, 2002; and

7 (v)] 4.75% for a taxable year beginning after December 31, [2001]  
8 1999.

9 10-207.

10 (r) (1) In this subsection, "modified Maryland adjusted gross income" means  
11 Maryland adjusted gross income determined separately for each spouse on a joint  
12 return without regard to the subtraction allowed under this subsection.

13 (2) Subject to the limitation under paragraph (3) of this subsection, for a  
14 two-income married couple filing a joint return, the subtraction under subsection (a)  
15 of this section includes the modified Maryland adjusted gross income of the spouse  
16 with the lesser modified Maryland adjusted gross income for the taxable year.

17 (3) The subtraction under paragraph (2) of this subsection may not  
18 exceed:

19 (i) [\$1,182] \$1,173 for a taxable year beginning after December 31,  
20 1997 but before January 1, 1999;

21 (ii) [\$1,163] \$1,144 for a taxable year beginning after December 31,  
22 1998 but before January 1, 2000; AND

23 (iii) [\$1,144 for a taxable year beginning after December 31, 1999  
24 but before January 1, 2001;

25 (iv) \$1,125 for a taxable year beginning after December 31, 2000 but  
26 before January 1, 2002; and

27 (v)] \$1,105 for a taxable year beginning after December 31, [2001]  
28 1999.

29 10-211.

30 Whether or not a federal return is filed, to determine Maryland taxable income,  
31 an individual other than a fiduciary may deduct as an exemption:

32 (1) for each exemption that the individual may deduct in the taxable  
33 year to determine federal taxable income under § 151 of the Internal Revenue Code:

34 (i) [\$1,400] \$1,500 for a taxable year beginning after December 31,  
35 1997 but before January 1, 1999;

1 (ii) [\$1,600] \$1,850 for a taxable year beginning after December 31,  
2 1998 but before January 1, 2000; AND

3 (iii) [\$1,850 for a taxable year beginning after December 31, 1999  
4 but before January 1, 2001;

5 (iv) \$2,100 for a taxable year beginning after December 31, 2000 but  
6 before January 1, 2002; and

7 (v)] \$2,400 for a taxable year beginning after December 31, [2001]  
8 1999;

9 (2) for each dependent, as defined in § 152 of the Internal Revenue Code,  
10 who is at least 65 years old on the last day of the taxable year, an additional:

11 (i) [\$1,400] \$1,500 for a taxable year beginning after December 31,  
12 1997 but before January 1, 1999;

13 (ii) [\$1,600] \$1,850 for a taxable year beginning after December 31,  
14 1998 but before January 1, 2000; AND

15 (iii) [\$1,850 for a taxable year beginning after December 31, 1999  
16 but before January 1, 2001;

17 (iv) \$2,100 for a taxable year beginning after December 31, 2000 but  
18 before January 1, 2002; and

19 (v)] \$2,400 for a taxable year beginning after December 31, [2001]  
20 1999;

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

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

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.