Unofficial Copy Q3 1998 Regular Session 8lr2553

By: Senator Hoffman

Introduced and read first time: February 24, 1998

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2	2		income	1 ax	Keauctio	a

- 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 amount
- 7 of a certain subtraction modification for two-income married couples filing joint
- 8 returns for certain taxable years; requiring the Spending Affordability
- 9 Committee to include a certain recommendation in a certain report; providing
- for the application of this Act; and generally relating to the State income tax.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Tax General
- 13 Section 10-105(a), 10-207(r), and 10-211
- 14 Annotated Code of Maryland
- 15 (1997 Replacement Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

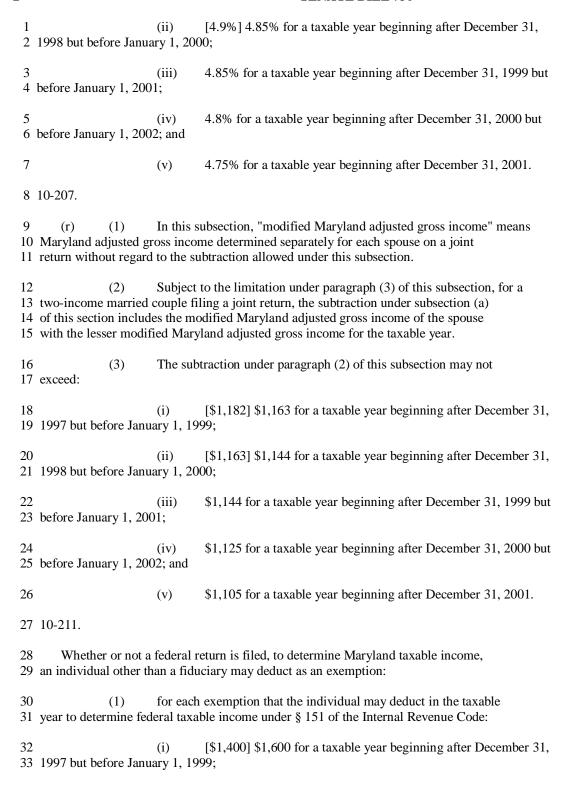
17 MARYLAND, That the Laws of Maryland read as follows:

18 Article - Tax - General

19 10-105.

- 20 (a) The State income tax rate for an individual is:
- 21 (1) 2% of Maryland taxable income of \$1 through \$1,000;
- 22 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;
- 23 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and
- 24 (4) for Maryland taxable income in excess of \$3,000:
- 25 (i) [4.95%] 4.9% for a taxable year beginning after December 31,
- 26 1997 but before January 1, 1999;

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- 1 [\$1,600] \$1,850 for a taxable year beginning after December 31, (ii) 2 1998 but before January 1, 2000; (iii) \$1,850 for a taxable year beginning after December 31, 1999 but 4 before January 1, 2001; 5 \$2,100 for a taxable year beginning after December 31, 2000 but (iv) 6 before January 1, 2002; and 7 (v) \$2,400 for a taxable year beginning after December 31, 2001; 8 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, an additional: 10 [\$1,400] \$1,600 for a taxable year beginning after December 31, 11 1997 but before January 1, 1999; 12 [\$1,600] \$1,850 for a taxable year beginning after December 31, 13 1998 but before January 1, 2000; 14 \$1,850 for a taxable year beginning after December 31, 1999 but (iii) 15 before January 1, 2001; \$2,100 for a taxable year beginning after December 31, 2000 but 16 (iv) 17 before January 1, 2002; and 18 (v) \$2,400 for a taxable year beginning after December 31, 2001; 19 an additional \$1,000 if the individual, on the last day of the taxable (3) 20 year, is at least 65 years old; and 21 (4) an additional \$1,000 if the individual, on the last day of the taxable 22 year, is a blind individual, as described in § 10-208(c) of this subtitle. 23 SECTION 2. AND BE IT FURTHER ENACTED, That the Spending 24 Affordability Committee shall include a recommendation in its final report of the 25 1999 interim as to the fiscal prudence of further accelerating the individual income 26 tax reduction enacted by Chapter 4 of the Acts of the General Assembly of 1997.
- SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 27
- 28 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
- 29 1997.