

BY: Delegate Flanagan

AMENDMENTS TO HOUSE BILL NO. 539, AS AMENDED  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1 of the bill, strike line 2 in its entirety and substitute “Income Taxes”; in line 3, after “of” insert “altering a certain tax rate under the Maryland State income tax on individuals for certain taxable years; altering the amount that an individual may deduct for certain exemptions to determine Maryland taxable income for purposes of the State income tax for certain taxable years; altering the amount of a certain subtraction modification for two-income married couples filing joint returns for certain taxable years;”; in line 5, after the semicolon, insert “making part of this Act contingent on the taking effect of another Act;”; and in line 9, after “Section” insert “10-105(a), 10-207(r), 10-211, and”.

On page 1 of the Committee on Ways and Means Amendments (HB0539/225358/1), in Amendment No. 1, strike beginning with “a” in line 4 down through “income” in line 6 and substitute “the State income tax”.

AMENDMENT NO. 2

On page 2 of the bill, before line 21, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

10-105.

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

(1) 2% of Maryland taxable income of \$1 through \$1,000;

(Over)

(2) 3% of Maryland taxable income of \$1,001 through \$2,000;

(3) 4% of Maryland taxable income of \$2,001 through \$3,000; and

(4) 4.75% [for] OF Maryland taxable income in excess of \$3,000 [:

(i) 4.875% for a taxable year beginning after December 31, 1997 but before January 1, 1999;

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

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

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

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

10-207.

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

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

(3) The subtraction under paragraph (2) of this subsection may not exceed \$1,105 [:

(i) \$1,154 for a taxable year beginning after December 31, 1997 but before January 1, 1999;

(ii) \$1,144 for a taxable year beginning after December 31, 1998 but before January 1, 2000;

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

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

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

10-211.

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) \$2,400 for each exemption that the individual may deduct in the taxable year to determine federal taxable income under § 151 of the Internal Revenue Code [:

(i) \$1,750 for a taxable year beginning after December 31, 1997 but before January 1, 1999;

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

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

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

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

(Over)

(2) AN ADDITIONAL \$2,400 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:

(i) \$1,750 for a taxable year beginning after December 31, 1997 but before January 1, 1999;

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

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

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

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

(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.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2000 and shall be applicable to all taxable years beginning after December 31, 1999, contingent on the taking effect of Chapter (H.B.190) of the Acts of the General Assembly of 1999, and if Chapter does not become effective, Section 2 of this Act shall be null and void without the necessity of further action by the General Assembly.”;

in line 21, strike “2.” and substitute “4.”; and in the same line, after “That” insert “, except as provided in Section 3 of this Act.”.