

SENATE BILL 562

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Q3

1999 Regular Session
9r1070
CF 9r2002

By: **Senators Hogan, Lawlah, Neall, Astle, DeGrange, Roesser, Baker, Dyson, Bromwell, Munson, Haines, Jacobs, Hooper, Madden, Hafer, Harris, Mooney, Colburn, Stoltzfus, and McCabe**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

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 amount
7 of a certain subtraction modification for two-income married couples filing joint
8 returns for certain taxable years; providing for the application of this Act; and
9 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 and 1998 Supplement)

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:

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

3 (ii) [4.85%] 4.8% for a taxable year beginning after December 31,
4 1998 but before January 1, 2000; AND

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

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

9 (v)] 4.75% for a taxable year beginning after December 31, [2001]
10 1999.

11 10-207.

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

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

19 (3) The subtraction under paragraph (2) of this subsection may not
20 exceed:

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

23 (ii) [\$1,144] \$1,125 for a taxable year beginning after December 31,
24 1998 but before January 1, 2000; AND

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

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

29 (v)] \$1,105 for a taxable year beginning after December 31, [2001]
30 1999.

31 10-211.

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

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

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

3 (ii) [\$1,850] \$2,100 for a taxable year beginning after December 31,
4 1998 but before January 1, 2000; AND

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

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

9 (v)] \$2,400 for a taxable year beginning after December 31, [2001]
10 1999;

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

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

15 (ii) [\$1,850] \$2,100 for a taxable year beginning after December 31,
16 1998 but before January 1, 2000; AND

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

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

21 (v)] \$2,400 for a taxable year beginning after December 31, [2001]
22 1999;

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

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,
29 1998.