
By: **Delegates Greenip, Amedori, Baldwin, Bartlett, Boschert, Boutin, Brinkley, Cadden, Cryor, Eckardt, Edwards, Elliott, Flanagan, Getty, Glassman, Hutchins, Kach, J. Kelly, Kittleman, Klima, La Vay, Leopold, McClenahan, McKee, Murphy, O'Donnell, Parrott, Ports, Redmer, Rosso, Rzepkowski, Schisler, Shank, Snodgrass, Stocksdale, Stull, and Walkup**

Introduced and read first time: February 7, 2000
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Personal Exemptions and Standard Deduction -**
3 **Cost-of-Living Adjustment**

4 FOR the purpose of increasing the amount allowed to be deducted for personal
5 exemptions and the minimum and maximum amounts for the standard
6 deduction under the Maryland income tax for certain taxable years by a certain
7 cost-of-living adjustment; repealing certain obsolete provisions; providing for
8 the application of this Act; and generally relating to a cost-of-living adjustment
9 in the amount allowed to be deducted for personal exemptions and the minimum
10 and maximum amounts for the standard deduction under the Maryland income
11 tax for certain taxable years.

12 BY adding to
13 Article - Tax - General
14 Section 10-202
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 1999 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - Tax - General
19 Section 10-211 and 10-217(c)
20 Annotated Code of Maryland
21 (1997 Replacement Volume and 1999 Supplement)

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

1

Article - Tax - General

2 10-202.

3 (A) (1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, FOR EACH TAXABLE
4 YEAR BEGINNING AFTER DECEMBER 31, 2000, THE PER-EXEMPTION DEDUCTION
5 AMOUNT SPECIFIED UNDER § 10-211(1) AND (2) OF THIS SUBTITLE SHALL BE
6 INCREASED BY AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE
7 AMOUNT TIMES THE COST-OF-LIVING ADJUSTMENT DETERMINED UNDER
8 SUBSECTION (B) OF THIS SECTION.

9 (2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, FOR EACH TAXABLE
10 YEAR BEGINNING AFTER DECEMBER 31, 2000, EACH MINIMUM AND MAXIMUM
11 STANDARD DEDUCTION AMOUNT SPECIFIED UNDER § 10-217(C) OF THIS SUBTITLE
12 SHALL BE INCREASED BY AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING
13 THE AMOUNT TIMES THE COST-OF-LIVING ADJUSTMENT DETERMINED UNDER
14 SUBSECTION (B) OF THIS SECTION.

15 (B) FOR PURPOSES OF THIS SECTION, THE COST-OF-LIVING ADJUSTMENT IS
16 THE COST-OF-LIVING ADJUSTMENT WITHIN THE MEANING OF § 1(F)(3) OF THE
17 INTERNAL REVENUE CODE FOR THE CALENDAR YEAR IN WHICH A TAXABLE YEAR
18 BEGINS, AS DETERMINED BY THE COMPTROLLER BY SUBSTITUTING "CALENDAR
19 YEAR 1999" FOR "CALENDAR YEAR 1992" IN § 1(F)(3)(B) OF THE INTERNAL REVENUE
20 CODE.

21 (C) IF ANY INCREASE DETERMINED UNDER SUBSECTION (A) OF THIS SECTION
22 IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED DOWN TO THE NEXT
23 LOWEST MULTIPLE OF \$50.

24 10-211.

25 [Whether] SUBJECT TO § 10-202 OF THIS SUBTITLE, WHETHER or not a federal
26 return is filed, to determine Maryland taxable income, an individual other than a
27 fiduciary may deduct as an exemption:

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

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

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

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

36 [(iv)] (II) \$2,100 for a taxable year beginning after December 31,
37 2000 but before January 1, 2002; and

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

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

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

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

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

11 [(iv)] (II) \$2,100 for a taxable year beginning after December 31,
12 2000 but before January 1, 2002; and

13 [(v)] (III) \$2,400 for a taxable year beginning after December 31,
14 2001;

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

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

19 10-217.

20 (c) (1) [For] SUBJECT TO § 10-202 OF THIS SUBTITLE, FOR an individual
21 other than one described in paragraphs (2) and (3) of this subsection, the standard
22 deduction:

23 (i) may not be less than \$1,500; and

24 (ii) may not exceed \$2,000.

25 (2) For an individual described in § 2 of the Internal Revenue Code as a
26 head of household or as a surviving spouse, the standard deduction:

27 (i) may not be less than \$3,000; and

28 (ii) may not exceed \$4,000.

29 (3) For spouses on a joint return, the standard deduction:

30 (i) may not be less than \$3,000; and

31 (ii) may not exceed \$4,000.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
3 2000.