

SENATE BILL 228

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Q3

2000 Regular Session
0lr1416

By: **Senators Miller, Hoffman, Bromwell, Blount, Baker, Middleton, Neall,
Kasemeyer, Lawlah, Currie, Munson, Hogan, Stoltzfus, Madden, and
Stone**

Introduced and read first time: January 27, 2000
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 certain taxable years; deleting certain obsolete language; providing for the
7 application of this Act; and generally relating to the Maryland income tax.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - General
10 Section 10-105(a) and 10-211
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 1999 Supplement)

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

15 **Article - Tax - General**

16 10-105.

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

- 18 (1) 2% of Maryland taxable income of \$1 through \$1,000;
19 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;
20 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and
21 (4) [for] 4.75% OF Maryland taxable income in excess of \$3,000[:

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

- 1 (ii) 4.85% for a taxable year beginning after December 31, 1998 but
2 before January 1, 2000;
- 3 (iii) 4.85% for a taxable year beginning after December 31, 1999 but
4 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 10-211.

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

11 (1) \$2,400 for each exemption that the individual may deduct in the
12 taxable year to determine federal taxable income under § 151 of the Internal Revenue
13 Code[:

- 14 (i) \$1,750 for a taxable year beginning after December 31, 1997 but
15 before January 1, 1999;
- 16 (ii) \$1,850 for a taxable year beginning after December 31, 1998 but
17 before January 1, 2000;
- 18 (iii) \$1,850 for a taxable year beginning after December 31, 1999 but
19 before January 1, 2001;
- 20 (iv) \$2,100 for a taxable year beginning after December 31, 2000 but
21 before January 1, 2002; and
- 22 (v) \$2,400 for a taxable year beginning after December 31, 2001];

23 (2) AN ADDITIONAL \$2,400 for each dependent, as defined in § 152 of the
24 Internal Revenue Code, who is at least 65 years old on the last day of the taxable
25 year[, an additional:

- 26 (i) \$1,750 for a taxable year beginning after December 31, 1997 but
27 before January 1, 1999;
- 28 (ii) \$1,850 for a taxable year beginning after December 31, 1998 but
29 before January 1, 2000;
- 30 (iii) \$1,850 for a taxable year beginning after December 31, 1999 but
31 before January 1, 2001;
- 32 (iv) \$2,100 for a taxable year beginning after December 31, 2000 but
33 before January 1, 2002; and
- 34 (v) \$2,400 for a taxable year beginning after December 31, 2001];

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

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

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
7 1999.