

BY: Senator Frosh

AMENDMENTS TO SENATE BILL NO. 323, AS AMENDED

AMENDMENT NO. 1

On page 2 of the Budget and Taxation Committee Amendments (SB0323/559239/2), in line 29 of Amendment No. 1, after “Fund;” insert “altering a certain tax rate under the Maryland State income tax for 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 Maryland income tax for certain taxable years; allowing an individual other than a fiduciary to claim a certain credit against the county income tax for a certain taxable year for certain exemptions that the individual may deduct to determine Maryland taxable income; requiring the Comptroller to issue new employer withholding tables reflecting a certain rate and amount allowed for personal exemptions; requiring the Comptroller to waive certain interest and penalties for a certain taxable year;”.

On page 8 of the Budget and Taxation Committee Amendments, in line 15 of Amendment No. 1, strike “and 10-310” and substitute “10-310, and 10-724”; and in line 20, strike “and 11-105” and substitute “10-105(a), 10-211, and 11-105”.

AMENDMENT NO. 2

On page 58 of the Budget and Taxation Committee Amendments, in Amendment No. 8, after the last line insert:

“10-105.

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

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

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

(Over)

- (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and
- (4) for 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)] (I) 4.8% for a taxable year beginning after December 31, 2000 but before January 1, [2002] 2004; and

[(v)] (II) 4.75% for a taxable year beginning after December 31, [2001] 2003.”.

On page 60 of the Budget and Taxation Committee Amendments, after line 22, insert:

“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) 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)] (I) \$2,100 for a taxable year beginning after December 31, 2000 but before January 1, [2002] 2004; and

[(v)] (II) \$2,400 for a taxable year beginning after December 31, [2001] 2003;

(2) 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)] (I) \$2,100 for a taxable year beginning after December 31, 2000 but before January 1, [2002] 2004; and

[(v)] (II) \$2,400 for a taxable year beginning after December 31, [2001] 2003;

(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.”;

and after the last line on page 60, insert:

“10-724.

FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2001 BUT BEFORE JANUARY 1, 2004, FOR EACH EXEMPTION THAT AN INDIVIDUAL OTHER THAN A FIDUCIARY MAY DEDUCT UNDER § 10-211(1) OR (2) OF THIS TITLE TO DETERMINE MARYLAND TAXABLE INCOME FOR THE TAXABLE YEAR, THE INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE COUNTY INCOME TAX IN AN AMOUNT EQUAL TO THE LESSER OF:

(1) THE PRODUCT OF MULTIPLYING \$300 TIMES THE COUNTY INCOME TAX RATE FOR THE TAXABLE YEAR; OR

(2) THE COUNTY INCOME TAX FOR THE TAXABLE YEAR, DETERMINED AFTER SUBTRACTING THE CREDITS ALLOWED UNDER §§ 10-704(C) AND 10-709(D) OF THIS SUBTITLE.”.

AMENDMENT NO. 3

On page 71 of the Budget and Taxation Committee Amendments, in line 11 of Amendment No. 9, after “applies.” insert “The Comptroller shall issue new employer withholding tables, to be effective as of July 1, 2002, reflecting the revised top marginal tax rate for calendar year 2002 and the revised amount allowed for personal exemptions for calendar year 2002 under Section 16 of this Act. The Comptroller shall waive any interest or penalty imposed on an individual relating to payment of estimated tax for calendar year 2002 to the extent that the Comptroller determines that the interest or penalty would not have been incurred but for the revisions under Section 16 of this Act to the top marginal tax rate and the amount allowed for personal exemptions.”.