

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 648

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Kaiser” and substitute “Kaiser, Healey, Bartlett, Boschert, Bozman, Cardin, Cryor, C. Davis, Elmore, Gordon, Heller, Howard, Jones, King, Marriott, McHale, McKee, Myers, Patterson, Ramirez, Ross, and Rzepkowski”.

On page 1, in line 2, strike “State Appropriation” and substitute “Income Tax Subtraction Modification”; and strike beginning with “providing” in line 3 down through “for” in line 8 and substitute “allowing a subtraction modification under the Maryland individual and corporate income tax for expenses incurred to provide adult education and literacy services to certain individuals; providing for the application of this Act; and generally relating to an income tax subtraction modification for expenses incurred by certain persons to provide”.

On page 1, in line 9, strike “with” and substitute “without”; in line 10, strike “Education” and substitute “Tax - General”; in line 11, strike “5-218” and substitute “10-208(a)”; in line 13, strike “2001” and substitute “1997”; and after line 13, insert:

“BY adding to

Article - Tax - General

Section 10-208(q)

Annotated Code of Maryland

(1997 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-308

Annotated Code of Maryland

(1997 Replacement Volume and 2002 Supplement)”.

(Over)

AMENDMENT NO. 2

On page 2, strike beginning with “increasing” in line 9 down through “services” in line 10 and substitute “that the State increase access to and provide incentives for employers and workers to invest in and participate in adult education”.

AMENDMENT NO. 3

On pages 2 through 4, strike in their entirety the lines beginning with line 13 on page 2 through line 12 on page 4, inclusive, and substitute:

“Article - Tax - General

10-208.

(a) In addition to the modification under § 10-207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(Q) (1) IN THIS SUBSECTION, “BUSINESS ENTITY” MEANS:

(I) A PERSON CONDUCTING A TRADE OR BUSINESS IN MARYLAND; OR

(II) AN ORGANIZATION OPERATING IN MARYLAND THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE.

(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES 100% OF THE EXPENSES THAT A BUSINESS ENTITY INCURS TO PROVIDE ADULT EDUCATION AND LITERACY SERVICES TO ITS EMPLOYEES OR TO OTHER INDIVIDUALS.

10-308.

(a) In addition to the modification under § 10-307 of this subtitle, the amounts under this section are subtracted from the federal taxable income of a corporation to determine Maryland modified income.

(b) The subtraction under subsection (a) of this section includes the amounts allowed to be subtracted for an individual under:

(1) § 10-208(d) of this title (Conservation tillage equipment expenses);

(2) § 10-208(i) of this title (Reforestation or timber stand expenses);

(3) § 10-208(k) of this title (Wage expenses for targeted jobs);

(4) § 10-208(m) of this title (Poultry or livestock manure spreading equipment);

[and]

(5) § 10-208(p) of this title (Elevator handrails in health care facilities); AND

(6) § 10-208(Q) OF THIS TITLE (ADULT EDUCATION AND LITERACY SERVICES).

(c) In the case of a regulated investment company, the subtraction under subsection (a) of this section includes an amount equal to the exempt-interest dividends paid by the company that are attributable to amounts received by the company that are included in the addition modification for dividends and interest from state or local obligations of another state under § 10-305(d)(1) of this subtitle.”.

On page 4, in line 14, after “2003” insert “, and shall be applicable to all taxable years beginning after December 31, 2002”.