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By: **Delegates Bates, Boteler, Impallaria, Krebs, and Miller**

Introduced and read first time: February 3, 2005

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Automatic Decoupling from Federal Amendments - Repeal**

3 FOR the purpose of repealing provisions regarding the effect of certain amendments  
4 to the Internal Revenue Code on the Maryland income tax under certain  
5 circumstances; providing for the application of this Act; and generally relating to  
6 the effect of federal amendments on the Maryland income tax.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - General  
9 Section 10-108  
10 Annotated Code of Maryland  
11 (2004 Replacement Volume)

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

14 **Article - Tax - General**

15 10-108.

16 [(a) Except as provided in subsection (c) of this section and unless expressly  
17 provided otherwise by law, an amendment of the Internal Revenue Code that, for a  
18 taxable year that begins in the calendar year in which the amendment is enacted,  
19 affects the determination of federal adjusted gross income or federal taxable income,  
20 does not affect the determination of Maryland taxable income under this title for any  
21 taxable year that begins in the calendar year in which the amendment is enacted.

22 (b)] Within 60 days after an amendment of the Internal Revenue Code is  
23 enacted, the Comptroller shall prepare and submit to the Governor and, subject to §  
24 2-1246 of the State Government Article, the President of the Senate and the Speaker  
25 of the House a report that outlines:

26 (1) the changes in the Internal Revenue Code; and

27 (2) the impact of those changes on State revenue and on various classes  
28 and types of taxpayers.

1 [(c) Subsection (a) of this section does not apply to an amendment of the  
2 Internal Revenue Code if the Comptroller determines that the impact of the  
3 amendment on State income tax revenue for the fiscal year that begins during the  
4 calendar year in which the amendment is enacted will be less than \$5,000,000.]

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 July 1, 2005, and shall be applicable to all taxable years beginning after December 31,  
7 2004.