

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 22
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after “Astle,” insert “Green,”; in the same line, strike “Green,”; in the same line, strike “and Schrader” and substitute “Schrader, Currie, Brinkley, Jones, Kasemeyer, Kramer, Lawlah, McFadden, Munson, Ruben, and Stoltzfus”; strike line 2 in its entirety and substitute:

“Retired Military and Senior Citizen Tax Reduction Act of 2006”;

in line 4, strike “over a certain period of time”; in line 8, after “spouses;” insert “altering the amount allowed as a deduction under the Maryland income tax for additional exemptions under the Maryland income tax for certain individuals who as of the last day of the taxable year are blind or at least a certain age; reducing a certain amount allowed as a deduction under certain circumstances based on the amount that certain income exceeds a certain amount; repealing certain obsolete provisions of law;”; in lines 9 and 10, strike “a subtraction modification for” and substitute “the Maryland income taxation of certain blind and elderly individuals and”; in line 18, strike “and” and substitute a comma; and in the same line, after “10-209” insert “, and 10-211”.

AMENDMENT NO. 2

On page 2, in line 22, strike the brackets; strike beginning with “EXCEPT” in line 22 down through “THE” in line 23; in line 23, strike the bracket and substitute “:

(I)”;

in line 24, strike “\$2,500” and substitute “\$5,000”; strike beginning with the colon in line 25 down through “(i)” in line 26; in line 26, strike “55” and substitute “60”; in the same line, strike “and” and substitute “OR”; and strike in their entirety lines 27 and 28 and substitute:

(Over)

“(II) THE FIRST \$2,500 OF MILITARY RETIREMENT INCOME RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR, IF THE INDIVIDUAL IS UNDER THE AGE OF 60 YEARS ON THE LAST DAY OF THE TAXABLE YEAR.”.

On pages 2 and 3, strike in their entirety the lines beginning with line 29 on page 2 through line 12 on page 3, inclusive.

AMENDMENT NO. 3

On page 4, after line 13, insert:

“10-211.

(A) 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) AN AMOUNT EQUAL TO \$2,400 for each exemption that the individual may deduct in the taxable year to determine federal taxable income under § 151 of the Internal Revenue Code [;]; AND

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

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

(2) AN ADDITIONAL \$2,400 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) \$2,100 for a taxable year beginning after December 31, 2000 but before January 1, 2002; and
- (v) \$2,400 for a taxable year beginning after December 31, 2001;].

[(3)] (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IN ADDITION TO THE AMOUNTS ALLOWED UNDER SUBSECTION (A) OF THIS SECTION, AN INDIVIDUAL OTHER THAN A FIDUCIARY MAY DEDUCT AS AN EXEMPTION:

(I) an additional [\$1,000] \$2,400 if the individual, on the last day of the taxable year, is at least 65 years old; and

[(4)] (II) an additional [\$1,000] \$2,400 if the individual, on the last day of the taxable year, is a blind individual, as described in § 10-208(c) of this subtitle.

(2) THE AMOUNT ALLOWED AS A DEDUCTION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS REDUCED, BUT NOT BELOW ZERO, BY THE AMOUNT BY WHICH THE TAXPAYER'S FEDERAL ADJUSTED GROSS INCOME, LESS THE AMOUNT OF SOCIAL SECURITY BENEFITS INCLUDED IN FEDERAL ADJUSTED GROSS INCOME UNDER § 86 OF THE INTERNAL REVENUE CODE, EXCEEDS:

(I) \$75,000 FOR AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN ITEM (II) OR (III) OF THIS PARAGRAPH;

(Over)

(II) \$100,000 FOR A MARRIED COUPLE FILING A JOINT RETURN OR FOR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE; OR

(III) FOR A MARRIED COUPLE FILING SEPARATELY, \$50,000 FOR EACH SPOUSE.”.