

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Joint Resolution 7 (Senator Mooney, *et al.*)
Budget and Taxation

Reformation of the United States Tax Code

This joint resolution requests the Maryland Congressional Delegation to support tax reform that moves to a system that greatly reduces compliance costs, eliminates double taxation of savings and investment, and taxes income at one rate.

Fiscal Summary

State Effect: Compliance with this joint resolution would not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Background: On January 7, 2005, President Bush announced the establishment of a bipartisan panel to advise on options to reform the tax code to make it simpler, fairer, and more pro-growth. The panel's recommendations issued November 1, 2005, include:

- Simplification of the entire tax system and streamlined tax filing for both families and businesses.
- Lower tax rates on families and businesses, while retaining the progressive nature of our current tax system.

- Extension of important tax benefits for home ownership and charitable giving to all taxpayers, not just the 35% who itemize.
- Extension of tax-free health insurance to all taxpayers, not just those who receive insurance from their employers.
- Removal of impediments to savings and investment.
- Elimination of the Alternative Minimum Tax, which is projected to raise the taxes of more than 21 million taxpayers in 2006 and 52 million taxpayers by 2015.

Additional Information

Prior Introductions: None.

Cross File: None

Information Source(s): Department of Legislative Services

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