

**HB0002/263628/1**

BY: Delegate Schuh

AMENDMENTS TO HOUSE BILL 2  
(First Reading File Bill – Committee Reprint)

AMENDMENT NO. 1

On page 1, in line 5, after “individuals” insert “and increasing the rate brackets for certain taxable years by a certain cost-of-living adjustment”; and in line 11, after “circumstances;” insert “increasing the amount allowed to be deducted for personal exemptions and the minimum and maximum amounts for the standard deduction under the Maryland income tax for certain taxable years by a certain cost-of-living adjustment;”.

On page 3, in line 12, after “2-613.1” insert “, 10-202,”.

AMENDMENT NO. 2

On page 6, after line 17, insert:

**“(E) (1) FOR EACH TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2008, THE RATE BRACKET THRESHOLDS SPECIFIED IN THIS SECTION SHALL BE INCREASED BY AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE RATE BRACKET THRESHOLDS TIMES THE COST-OF-LIVING ADJUSTMENT SPECIFIED IN THIS SECTION.**

**(2) FOR PURPOSES OF THIS SECTION, THE COST-OF-LIVING ADJUSTMENT IS THE COST-OF-LIVING ADJUSTMENT WITHIN THE MEANING OF § 1(F)(3) OF THE INTERNAL REVENUE CODE FOR THE CALENDAR YEAR IN WHICH A TAXABLE YEAR BEGINS, AS DETERMINED BY THE COMPTROLLER BY SUBSTITUTING “CALENDAR YEAR 2007” FOR “CALENDAR YEAR 1992” IN § 1(F)(3)(B) OF THE INTERNAL REVENUE CODE.**

(Over)

(3) IF ANY INCREASE DETERMINED UNDER SUBSECTION (A) OF THIS SECTION IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED DOWN TO THE NEXT LOWEST MULTIPLE OF \$50.”;

before line 18, insert:

“10-202.

(A) SUBJECT TO SUBSECTION (C) OF THIS SECTION, FOR EACH TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2008, THE PER-EXEMPTION DEDUCTION AMOUNT SPECIFIED UNDER § 10-211(1) AND (2) OF THIS SUBTITLE SHALL BE INCREASED BY AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE PER-EXEMPTION DEDUCTION AMOUNT TIMES THE COST-OF-LIVING ADJUSTMENT DETERMINED UNDER SUBSECTION (B) OF THIS SECTION.

(B) FOR PURPOSES OF THIS SECTION, THE COST-OF-LIVING ADJUSTMENT IS THE COST-OF-LIVING ADJUSTMENT WITHIN THE MEANING OF § 1(F)(3) OF THE INTERNAL REVENUE CODE FOR THE CALENDAR YEAR IN WHICH A TAXABLE YEAR BEGINS, AS DETERMINED BY THE COMPTROLLER BY SUBSTITUTING “CALENDAR YEAR 2007” FOR “CALENDAR YEAR 1992” IN § 1(F)(3)(B) OF THE INTERNAL REVENUE CODE.

(C) IF ANY INCREASE DETERMINED UNDER SUBSECTION (A) OF THIS SECTION IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED DOWN TO THE NEXT LOWEST MULTIPLE OF \$50.”;

and in line 27, strike “EXCEPT AS PROVIDED IN” and substitute “SUBJECT TO § 10-202 OF THIS SUBTITLE AND”.