

BY: Committee on Ways and Means

**AMENDMENTS TO HOUSE BILL 2**  
(First Reading File Bill)

**AMENDMENT NO. 1**

On page 1, strike beginning with “altering” in line 6 down through “age;” in line 8 and substitute “altering the amount allowed as a deduction for certain exemptions under the Maryland income tax; altering the amount allowed as a deduction for certain exemptions under certain circumstances;”; in line 11, after “altering” insert “eligibility for and”; in line 16, after “credit;” insert “removing a certain restriction on eligibility to claim a refundable earned income credit under certain circumstances;”; and strike beginning with “allowing” in line 16 down through “provided;” in line 31.

On page 2, strike beginning with “requiring” in line 1 down through “Fund;” in line 3, inclusive; in line 4, strike “Higher” and substitute “Maryland”; in line 7, strike “certain revenues” and substitute “a certain appropriation”; strike beginning with the first “altering” in line 24 down through “cigarettes;” in line 26; and strike beginning with “requiring” in line 27 down through “circumstances;” in line 34, inclusive.

On page 2, in line 44, strike “4-105(b).”.

On page 3, in line 1, strike “11-101(m),” and substitute “and”; strike beginning with “, 11-104(a)” in line 1 down through “12-303(b)” in line 2; in line 7, strike the first comma and substitute “and”; in the same line, strike “, and 10-726”; and in line 12, strike “15-106.6” and substitute “27-101 to be under the new title “Title 27. Maryland Education Investment Fund””.

**AMENDMENT NO. 2**

On page 3, in line 37, strike “4%” and substitute “4.75%”.

On page 4, in line 1, strike “AND (II) AND (2)(I) AND (II)” and substitute “THROUGH (III) AND (2)(I) THROUGH (III)”.

(Over)

AMENDMENT NO. 3

On page 4, in lines 21, 22, 23, 24, and 25, respectively, strike “\$15,000”, “\$15,001”, “\$150,000”, “\$150,001”, and “\$500,000”, respectively, and substitute “\$3,000”, “\$3,001”, “\$125,000”, “\$125,001”, and “\$150,000”, respectively; in line 25, strike “AND” and substitute:

“(VI) 5.5% OF MARYLAND TAXABLE INCOME OF \$150,001 THROUGH \$200,000; AND”;

in lines 24 and 26, strike “6%” and “6.5%”, respectively, and substitute “5.25%” and “5.75%”, respectively; in line 26, strike “(VI)” and substitute “(VII)”; and in line 27, strike “\$500,000” and substitute “\$200,000”.

On page 5, in lines 11, 12, 13, 14, 15, 16, 17, and 18, strike “\$2,000”, “\$2,001”, “\$4,000”, “\$4,001”, “\$22,500”, “\$22,501”, “\$200,000”, and “\$200,001”, respectively, and substitute “\$1,000”, “\$1,001”, “\$2,000”, “\$2,001”, “\$3,000”, “\$3,001”, “\$175,000”, and “\$175,001”, respectively; in lines 18 and 20, strike “6%” and “6.5%”, respectively, and substitute “5.25%” and “5.75%”, respectively; in line 19, strike “\$500,000” and substitute “\$200,000”; in the same line, strike “AND” and substitute:

“(VI) 5.5% OF MARYLAND TAXABLE INCOME OF \$200,001 THROUGH \$250,000; AND”;

in line 20, strike “(VI)” and substitute “(VII)”; and in line 21, strike “\$500,000” and substitute “\$250,000”.

AMENDMENT NO. 4

On page 6, in line 16, strike “Whether” and substitute “(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, WHETHER”; and in lines 18 and 31, in each instance, strike “\$2,400” and substitute “\$3,200”.

On page 7, after line 14, insert:

“(B) IF AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN SUBSECTION (C) OF THIS SECTION HAS FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR GREATER THAN \$100,000, THE AMOUNT ALLOWED FOR EACH EXEMPTION UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION IS LIMITED TO:

(1) \$2,400 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED \$125,000;

(2) \$1,800 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$125,000 BUT NOT GREATER THAN \$150,000;

(3) \$1,200 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$150,000 BUT NOT GREATER THAN \$200,000;  
AND

(4) \$600 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$200,000.

(C) IF A MARRIED COUPLE FILING A JOINT RETURN OR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE HAS FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR GREATER THAN \$150,000, THE AMOUNT ALLOWED FOR EACH EXEMPTION UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION IS LIMITED TO:

(1) \$2,400 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED \$175,000;

(Over)

**(2) \$1,800 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$175,000 BUT NOT GREATER THAN \$200,000;**

**(3) \$1,200 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$200,000 BUT NOT GREATER THAN \$250,000;**  
**AND**

**(4) \$600 IF FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IS GREATER THAN \$250,000.”.**

**AMENDMENT NO. 5**

On page 8, strike beginning with “with” in line 1 down through “exemptions” in line 2; strike beginning with “for” in line 25 down through “exemptions” in line 26; and strike beginning with “with” in line 32 down through “exemptions” in line 33.

**AMENDMENT NO. 6**

On page 7, in lines 11 and 13, in each instance, strike the brackets; and in the same lines, in each instance, strike “**\$2,000**”.

**AMENDMENT NO. 7**

On pages 9 and 10, strike in their entirety the lines beginning with line 26 on page 9 through line 22 on page 10, inclusive.

**AMENDMENT NO. 8**

On pages 11 through 16, strike in their entirety the lines beginning with line 25 on page 11 through line 34 on page 16, inclusive.

**AMENDMENT NO. 9**

On page 17, in line 1, strike “4.” and substitute “2.”; in line 4, strike “**15-106.6.**” and substitute:

**“TITLE 27. MARYLAND EDUCATION INVESTMENT FUND.**

**27-101.**;

in lines 7 and 14, in each instance, strike “**HIGHER**” and substitute “**MARYLAND**”; strike in their entirety lines 9 through 13, inclusive; strike beginning with the colon in line 15 down through “**FAMILIES**” in line 19 and substitute “**INVEST IN CAPITAL PROJECTS AT PUBLIC SCHOOLS AND PUBLIC HIGHER EDUCATION INSTITUTIONS, INCLUDING COMMUNITY COLLEGES**”; and in line 22, after “**FUND**” insert “**SEPARATELY**”.

On page 18, strike beginning with “**REVENUES**” in line 1 down through “**ARTICLE**” in line 2 and substitute “**ANY MONEY APPROPRIATED TO THE FUND**”; strike line 5 in its entirety; in lines 6 and 13, strike “**(9)**” and “**(10)**”, respectively, and substitute “**(8)**”, and “**(9)**”, respectively; strike beginning with the colon in line 6 down through “**COMMISSION**” in line 12 and substitute “**FOR CAPITAL PROJECTS AT PUBLIC SCHOOLS AND PUBLIC HIGHER EDUCATION INSTITUTIONS, INCLUDING COMMUNITY COLLEGES**”.

**AMENDMENT NO. 10**

On page 18, strike in their entirety lines 18 through 25, inclusive, and substitute:

**“AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2-613 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE 20% OF THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS TO THE GENERAL FUND OF THE STATE.”.**

**AMENDMENT NO. 11**

On page 19, in line 12, strike “**8%**” and substitute “**8.75%**”; and in line 28, strike “**5.**” and substitute “**3.**”.

**AMENDMENT NO. 12**

On page 20, strike lines 1 and 2 in their entirety and substitute:

(Over)

“(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.”

(2) “COMBINED GROUP” MEANS:

(I) ALL MEMBERS OF A UNITARY GROUP THAT ARE SUBJECT TO THE INCOME TAX OR WOULD BE SUBJECT TO THE INCOME TAX IF DOING BUSINESS IN THE STATE; AND

(II) OTHER MEMBERS OF THE UNITARY GROUP NOT DESCRIBED IN ITEM (I) OF THIS PARAGRAPH, UNDER THE CIRCUMSTANCES AND TO THE EXTENT PROVIDED IN REGULATIONS ADOPTED BY THE COMPTROLLER TO PREVENT THE AVOIDANCE OF TAX OR TO CLEARLY REFLECT INCOME OF ANY MEMBER OF THE COMBINED GROUP FOR ANY PERIOD.

(3) “UNITARY GROUP” MEANS AN AFFILIATED GROUP OF CORPORATIONS;”

in lines 3, 4, 6, and 8, strike “(1)”, “(2)”, “(I)”, and “(II)”, respectively, and substitute “(I)”, “(II)”, “1.”, and “2.”, respectively; and in lines 9, 10, 19, 20, 21, 22, 23, 26, 30, 31, and 33, in each instance, strike “UNITARY” and substitute “COMBINED”.

On page 21, in lines 7, 10, 13, and 16, in each instance, strike “UNITARY” and substitute “COMBINED”.

AMENDMENT NO. 13

On page 21, in line 13, strike “SHALL” and substitute “MAY ELECT TO”.

AMENDMENT NO. 14

On page 22, in line 31, strike “6.” and substitute “4.”.

On pages 22 and 23, strike in their entirety the lines beginning with line 33 on page 22 through line 11 on page 23, inclusive.

AMENDMENT NO. 15

On page 30, in lines 23 and 29, strike “135%” and “125%”, respectively, and substitute “125%” and “137.5%”, respectively.

AMENDMENT NO. 16

On page 30, in line 11, strike “7.” and substitute “5.”; and in line 15, strike “4” and substitute “2”.

On page 32, in lines 9 and 15, strike “12.” and “15.”, respectively, and substitute “7.” and “8.”, respectively; in line 9, strike “4, and 5” and substitute “2, and 3”; strike in their entirety lines 11 through 14, inclusive; in lines 15 and 16, strike “12 through 14” and substitute “6 and 7”.

AMENDMENT NO. 17

On pages 30 through 32, strike in their entirety the lines beginning with line 31 on page 30 through line 8 on page 32, inclusive, and substitute:

“SECTION 6. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall take effect July 1, 2008, and shall be applicable to all transfers of a controlling interest by a real property entity that occur after June 30, 2008.”.