

HOUSE BILL 29

Q3

8lr4591

By: **Delegate Simmons**

Introduced and read first time: October 29, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Individual Income Tax - Rate and Personal Exemptions**

3 FOR the purpose of altering a certain rate under the State income tax on individuals;
4 altering the amount allowed as a deduction for certain personal exemptions
5 under the Maryland income tax under certain circumstances; disallowing
6 certain deductions for certain personal exemptions under certain circumstances;
7 repealing certain obsolete provisions; providing for the effective date and
8 application of this Act; and generally relating to the Maryland individual
9 income tax.

10 BY repealing and reenacting, with amendments,
11 Article - Tax - General
12 Section 10-105(a) and 10-211
13 Annotated Code of Maryland
14 (2004 Replacement Volume and 2007 Supplement)

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

17 **Article - Tax - General**

18 10-105.

19 (a) The State income tax rate for an individual is:

20 (1) 2% of Maryland taxable income of \$1 through \$1,000;

21 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;

22 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) [for] **5% OF** Maryland taxable income in excess of \$3,000 [:].

2 [(i) 4.875% for a taxable year beginning after December 31, 1997
3 but before January 1, 1999;

4 [(ii) 4.85% for a taxable year beginning after December 31, 1998
5 but before January 1, 2000;

6 [(iii) 4.85% for a taxable year beginning after December 31, 1999
7 but before January 1, 2001;

8 [(iv) 4.8% for a taxable year beginning after December 31, 2000
9 but before January 1, 2002; and

10 [(v) 4.75% for a taxable year beginning after December 31,
11 2001.]

12 10–211.

13 (A) [Whether] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS**
14 **SECTION, WHETHER** or not a federal return is filed, to determine Maryland taxable
15 income, an individual other than a fiduciary may deduct as an exemption:

16 (1) **\$2,400** for each exemption that the individual may deduct in the
17 taxable year to determine federal taxable income under § 151 of the Internal Revenue
18 Code [:

19 [(i) \$1,750 for a taxable year beginning after December 31, 1997
20 but before January 1, 1999;

21 [(ii) \$1,850 for a taxable year beginning after December 31, 1998
22 but before January 1, 2000;

23 [(iii) \$1,850 for a taxable year beginning after December 31, 1999
24 but before January 1, 2001;

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

27 [(v) \$2,400 for a taxable year beginning after December 31,
28 2001];

29 (2) **AN ADDITIONAL \$2,400** for each dependent, as defined in § 152 of
30 the Internal Revenue Code, who is at least 65 years old on the last day of the taxable
31 year [, an additional:

1 (i) \$1,750 for a taxable year beginning after December 31, 1997
2 but before January 1, 1999;

3 (ii) \$1,850 for a taxable year beginning after December 31, 1998
4 but before January 1, 2000;

5 (iii) \$1,850 for a taxable year beginning after December 31, 1999
6 but before January 1, 2001;

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

9 (v) \$2,400 for a taxable year beginning after December 31,
10 2001];

11 (3) an additional \$1,000 if the individual, on the last day of the taxable
12 year, is at least 65 years old; and

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

15 **(B) (1) AN INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS INCOME**
16 **FOR THE TAXABLE YEAR IS GREATER THAN \$100,000 BUT NOT GREATER THAN**
17 **\$200,000 IS ALLOWED ONLY \$1,200 FOR EACH EXEMPTION UNDER SUBSECTION**
18 **(A)(1) OR (2) OF THIS SECTION.**

19 **(2) AN INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS INCOME**
20 **FOR THE TAXABLE YEAR IS GREATER THAN \$200,000 IS NOT ALLOWED THE**
21 **EXEMPTIONS UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 January 1, 2008, and shall be applicable to all taxable years beginning after December
24 31, 2007.