

# SENATE BILL 13

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By: **Senator Forehand**

Introduced and read first time: October 29, 2007

Assigned to: Budget and Taxation

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## 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; repealing certain obsolete provisions; providing  
6 for the effective date and application of this Act; and generally relating to the  
7 Maryland individual income tax.

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

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

15 **Article - Tax - General**

16 10-105.

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

- 18 (1) 2% of Maryland taxable income of \$1 through \$1,000;  
19 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;  
20 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and  
21 (4) 5% [for] **OF** Maryland taxable income in excess of \$3,000 [:].

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

11 10–211.

12 Whether or not a federal return is filed, to determine Maryland taxable income,  
13 an individual other than a fiduciary may deduct as an exemption:

14 (1) **\$2,000** for each exemption that the individual may deduct in the  
15 taxable year to determine federal taxable income under § 151 of the Internal Revenue  
16 Code [:

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

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

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

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

25 (v) \$2,400 for a taxable year beginning after December 31,  
26 2001];

27 (2) **AN ADDITIONAL \$2,000** for each dependent, as defined in § 152 of  
28 the Internal Revenue Code, who is at least 65 years old on the last day of the taxable  
29 year [, an additional:

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

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

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

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

7                   (v)    \$2,400 for a taxable year beginning after December 31,  
8 2001];

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

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

13                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 January 1, 2008, and shall be applicable to all taxable years beginning after December  
15 31, 2007.