

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 523  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “individuals;” insert “altering the amount allowed as a deduction for certain exemptions under the Maryland income tax under certain circumstances; modifying a fiduciary’s adjusted gross income to add back that portion of an electing small business trust consisting of stock of one or more S corporations that is subject to special taxing rules under certain provisions of the Internal Revenue Code;”; strike beginning with “altering” in line 6 down through “proof;” in line 15; and strike beginning with “altering” in line 21 down through “circumstances;” in line 25.

On page 2, in line 2, after “charge;” insert “repealing a certain exemption to the sales and use tax for certain sales of direct mail advertising literature and mail order catalogues that will be distributed outside the State;”; in line 16, strike beginning with “2-609,” through “11-701(b)” and substitute “10-105(a), 10-211(b), 11-215(d)”; in line 21, strike “10-704(a)” and substitute “10-204(a) and 10-211(a)”; in line 26, strike “2-608.2 and 11-701.1” and substitute “10-204(j)”; and strike in their entirety lines 34 through 40, inclusive.

AMENDMENT NO. 2

On page 3, in line 14, strike beginning with “Except” through “for”; in line 15, before the first “an” insert “**FOR**”; in line 20, strike the brackets; in the same line, strike “**4.9%**”; in line 21, strike “**\$25,000**” and substitute “**\$100,000**”; strike beginning with “**4.95%**” in line 22 down through “**(VI)**” in line 24; in line 24, strike “**\$75,001**” and substitute “**\$100,001**”; in lines 26 and 28, strike “**(VII)**” and “**(VIII)**”, respectively, and substitute “**(VI)**” and “**(VII)**”, respectively; in line 27, strike “**AND**”; and in line 29, after “\$500,000” insert “**;** **AND**”

(Over)

**(VIII) 5.75% OF MARYLAND TAXABLE INCOME IN EXCESS OF \$500,000**.

On page 4, in line 1, strike beginning with “Except” through “for”; in line 2, before “spouses” insert “**FOR**”; in line 7, strike the brackets; in the same line, strike “**4.9%**”; in line 8, strike “**\$50,000**” and substitute “**\$150,000**”; strike beginning with “**4.95%**” in line 9 down through “**(VI)**” in line 11; in line 11, strike “**\$100,001**” and substitute “**\$150,001**”; in lines 13 and 15, strike “**(VII)**” and “**(VIII)**”, respectively, and substitute “**(VI)**” and “**(VII)**”, respectively; in line 14, strike “**AND**”; and in line 16, after “\$500,000” insert “; **AND**”

**(VIII) 5.75% OF MARYLAND TAXABLE INCOME IN EXCESS OF \$500,000**.

On page 5, strike beginning with “**(3)**” in line 1 down through “**TITLE.**” in line 24.

**AMENDMENT NO. 3**

On page 5, after line 24, insert:

**“10-204.**

**(a) To the extent excluded from federal adjusted gross income, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.**

**(J) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF INCOME OF AN ELECTING SMALL BUSINESS TRUST, AS DEFINED UNDER § 1361(E)(1) OF THE INTERNAL REVENUE CODE, THAT IS SUBJECT TO THE SPECIAL TAXING RULES UNDER § 641(C) OF THE INTERNAL REVENUE CODE.”**

AMENDMENT NO. 4

On page 5, before line 25, insert:

“10–211.

(a) Except as provided in subsection (b) of this section, whether or not a federal return is filed, to determine Maryland taxable income, an individual other than a fiduciary may deduct as an exemption:

(1) \$3,200 for each exemption that the individual may deduct in the taxable year to determine federal taxable income under § 151 of the Internal Revenue Code;

(2) an additional \$3,200 for each dependent, as defined in § 152 of the Internal Revenue Code, who is at least 65 years old on the last day of the taxable year;

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

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

(b) (1) If an individual other than one described in paragraph (2) of this subsection 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:

(i) [\$2,400] **\$1,600** if federal adjusted gross income for the taxable year does not exceed \$125,000;

(Over)

(ii) [\$1,800] **\$800** if federal adjusted gross income for the taxable year is greater than \$125,000 but not greater than \$150,000; AND

(iii) [\$1,200] **\$0** if federal adjusted gross income for the taxable year is greater than \$150,000 [but not greater than \$200,000; and

(iv) \$600 if federal adjusted gross income for the taxable year is greater than \$200,000].

(2) 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:

(i) [\$2,400] **\$1,600** if federal adjusted gross income for the taxable year does not exceed \$175,000;

(ii) [\$1,800] **\$800** if federal adjusted gross income for the taxable year is greater than \$175,000 but not greater than \$200,000; AND

(iii) [\$1,200] **\$0** if federal adjusted gross income for the taxable year is greater than \$200,000 [but not greater than \$250,000; and

(iv) \$600 if federal adjusted gross income for the taxable year is greater than \$250,000].”.

AMENDMENT NO. 5

On pages 5 and 6, strike in their entirety the lines beginning with line 25 on page 5 through line 22 on page 6, inclusive.

On pages 6 through 8, strike in their entirety the lines beginning with line 26 on page 6 through line 2 on page 8, inclusive.

AMENDMENT NO. 6

On page 8, in line 5, strike “20%” and substitute “50%”; and in line 12, strike “20%” and substitute “15%”.

AMENDMENT NO. 7

On pages 9 and 10, strike in their entirety the lines beginning with line 8 on page 9 through line 10 on page 10, inclusive.

On pages 10 and 11, strike in their entirety the lines beginning with line 20 on page 10 through line 9 on page 11, inclusive.

AMENDMENT NO. 8

On page 6, after line 25, insert:

“11-215.

(d) The sales and use tax does not apply to[:

(1) a sale of direct mail advertising literature and mail order catalogues that will be distributed outside the State, and a sale of computerized mailing lists to the extent used for the purpose of providing addresses to which direct mail advertising literature and mail order catalogues will be distributed outside the State; or

(2) a sale of government documents, publications, records, or copies by the federal or State or a local government or an instrumentality of the federal or State or local government.”

AMENDMENT NO. 9

(Over)

On page 11, strike in their entirety lines 29 through 34, inclusive; and in line 35, strike "11." and substitute "10.".

On page 12, in line 1, strike "12." and substitute "11."; and in line 4, strike "13." and substitute "12.".