

SB0523/833427/1

BY: Conference Committee

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; strike beginning with “altering” in line 21 down through “circumstances;” in line 25; in line 25, after “altering” insert “the maximum aggregate principal amount of school construction bonds that the Baltimore City Board of School Commissioners may issue; altering”; and in the same line, strike “a certain fee;” and substitute “certain fees; providing for the calculation of net taxable income for the calculation of certain State aid for education beginning in a certain fiscal year; providing for a delayed effective date for certain provisions of this Act; providing a certain grant for certain bus service in Montgomery County; authorizing the Governor to process a certain budget amendment during fiscal year 2013 for a certain purpose;”.

On page 2, in line 16, strike beginning with “2-609,” through “11-701(b)” and substitute “10-105(a), 10-211(b)”; 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)”; strike in their entirety lines 34 through 40, inclusive; and after line 40, insert:

“BY repealing and reenacting, with amendments,

Article – Education

Section 4–306.2(b)(1) and 5-202(a)(9)

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)

(Over)

BY repealing and reenacting, with amendments,

Article - Health - General

Section 4-217(c)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)".

On page 3, after line 4, insert:

"BY adding to

Article - Transportation

Section 10-207(b)(3)

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)

BY adding to

Article – Education

Section 5-202(a-1)

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)".

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 line 25, strike "**\$150,000**" and substitute "**\$125,000**"; in line 26, strike "\$150,001" and substitute "**\$125,001**"; in line 27, strike "\$300,000" and substitute "**\$150,000**"; in lines 26 and 28, strike "**(VII)**" and "**(VIII)**", respectively, and substitute "**(VI)**" and "**(VII)**", respectively; in line 27, strike "**AND**"; in

line 28, strike “\$300,001” and substitute “\$150,001”; in line 29, strike “\$500,000” and substitute “\$250,000; AND”

(VIII) 5.75% OF MARYLAND TAXABLE INCOME IN EXCESS OF \$250,000”.

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 line 12, strike “\$200,000” and substitute “\$175,000”; in lines 13 and 15, strike “**(VII)**” and “**(VIII)**”, respectively, and substitute “**(VI)**” and “**(VII)**”, respectively; in line 13, strike “\$200,001” and substitute “\$175,001”; in line 14, strike “\$350,000” and substitute “\$225,000”; in the same line, strike “AND”; in line 15, strike “\$350,001” and substitute “\$225,001”; in line 16, strike “\$500,000” and substitute “\$300,000; AND”

(VIII) 5.75% OF MARYLAND TAXABLE INCOME IN EXCESS OF \$300,000”.

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) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2012, 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;

(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

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(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 “30%”; 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 page 10, after line 10, insert:

“Article – Education

4–306.2.

(b) (1) Except as provided in paragraph (2) of this subsection, the aggregate principal amount of bonds outstanding, including the amount of any reserve fund requirement established for the bonds, may not exceed, as of the date that the bonds are issued, [\$100,000,000] **\$200,000,000.**

Article – Health – General

4-217.

(c) (1) Except as otherwise provided by law:

(i) The Department shall collect a \$12 fee:

1. For each certified or abridged copy of a [death,] fetal death, marriage, or divorce verification certificate;

2. For a report that a search of the [death,] fetal death, marriage, or divorce verification certificate files was made and the requested record is not on file;

3. For each change to a [death,] fetal death, marriage, or divorce verification certificate made later than one year after the certificate has been registered with the Department; or

4. To process an adoption, foreign adoption, or legitimation; [and]

(ii) The Department shall collect a \$24 fee:

1. For each certified or abridged copy of a birth certificate;

2. **FOR THE FIRST COPY OF A CERTIFIED OR ABRIDGED DEATH CERTIFICATE ISSUED IN A SINGLE TRANSACTION;**

3. For a report that a search of the birth OR DEATH certificate files was made and the requested record is not on file; or

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[3.]4. For each change to a birth OR DEATH certificate made later than 1 year after the certificate has been registered with the Department; AND

(III) THE DEPARTMENT SHALL COLLECT A \$12 FEE FOR EACH ADDITIONAL CERTIFIED OR ABRIDGED COPY OF A DEATH CERTIFICATE PROVIDED CONCURRENTLY WITH AN INITIAL REQUESTED DEATH CERTIFICATE.”;

and after line 19, insert:

“Article – Transportation

10–207.

(b) (3) IN ADDITION TO THE GRANTS AUTHORIZED UNDER THIS SUBSECTION, BEGINNING IN FISCAL YEAR 2013, THE DEPARTMENT SHALL PROVIDE FOR ANNUAL GRANTS TO MONTGOMERY COUNTY FOR ELIGIBLE LOCAL BUS SERVICE IN THE AMOUNT OF:

(I) \$5,000,000 FOR OPERATING EXPENDITURES; AND

(II) \$5,000,000 FOR CAPITAL EXPENDITURES.”.

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 11, after line 9, insert:

“SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Education

5-202.

(a) (9) “Net taxable income” means:

(I) FOR FISCAL YEARS 2014 THROUGH 2017, THE AMOUNTS CERTIFIED BY THE STATE COMPTROLLER FOR THE SECOND COMPLETED CALENDAR YEAR BEFORE THE SCHOOL YEAR FOR WHICH THE CALCULATION OF STATE AID UNDER THIS SECTION IS MADE, BASED ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1 AND NOVEMBER 1 AFTER THIS CALENDAR YEAR IN THE FOLLOWING PROPORTIONS:

1. FOR FISCAL YEAR 2014, 80% OF THE SEPTEMBER 1 AMOUNT PLUS 20% OF THE NOVEMBER 1 AMOUNT;

2. FOR FISCAL YEAR 2015, 60% OF THE SEPTEMBER 1 AMOUNT PLUS 40% OF THE NOVEMBER 1 AMOUNT;

3. FOR FISCAL YEAR 2016, 40% OF THE SEPTEMBER 1 AMOUNT PLUS 60% OF THE NOVEMBER 1 AMOUNT; AND

4. FOR FISCAL YEAR 2017, 20% OF THE SEPTEMBER 1 AMOUNT PLUS 80% OF THE NOVEMBER 1 AMOUNT.

(II) FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, the amount certified by the State Comptroller for the second completed calendar year before the school year for which the calculation of State aid under this

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section is made, based on tax returns filed on or before [September] NOVEMBER 1 after this calendar year.

(A-1) (1) IN THIS SUBSECTION, "NET TAXABLE INCOME ADJUSTMENT" MEANS, WITH RESPECT TO EDUCATION FORMULAS THAT USE WEALTH TO CALCULATE THE AMOUNT OF STATE AID, THE DECREASE IN STATE AID FOR A COUNTY THAT RESULTS FROM THE DIFFERENCE IN THE NET TAXABLE INCOME CALCULATED AS PROVIDED UNDER SUBSECTION (A)(9) OF THIS SECTION AND THE NET TAXABLE INCOME CALCULATED BASED ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1.

(2) FOR EACH FISCAL YEAR BEGINNING WITH FISCAL YEAR 2014, THE AMOUNT OF THE NET TAXABLE INCOME ADJUSTMENT SHALL BE PROVIDED AS A GRANT TO EACH COUNTY THAT WOULD RECEIVE A TOTAL AMOUNT OF STATE AID FOR EDUCATION BASED ON USING NET TAXABLE INCOME AS CALCULATED UNDER SUBSECTION (A)(9) OF THIS SECTION THAT IS LESS THAN STATE AID FOR EDUCATION THE COUNTY WOULD RECEIVE USING NET TAXABLE INCOME BASED ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1.; in line 10, strike "5." and substitute "6."; in line 12, strike "6." and substitute "7."; in line 14, strike "7." and substitute "8."; in line 19, strike "8." and substitute "9."; in line 26, strike "9." and substitute "10."; in the same line, strike "5" and substitute "6"; strike in their entirety lines 29 through 34, inclusive; after line 28, insert:

"SECTION 11. AND BE IT FURTHER ENACTED, That the Governor may process a budget amendment in Fiscal Year 2013 of \$10,000,000 for local bus service in Montgomery County.";

in line 35, strike "11." and substitute "12."; and in the same line, strike "6" and substitute "7".

On page 12, in line 1, strike "12." and substitute "13."; after line 3, insert:

“SECTION 14. AND BE IT FURTHER ENACTED, That Section 5 of this Act shall take effect July 1, 2013, and shall be applicable to the calculation of State education aid for fiscal years beginning after June 30, 2013.”;

and in line 4, strike “13.” and substitute “15.”.