

# HOUSE BILL 448

Q3

4r1936  
CF 4r2767

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By: **Delegates Parrott, Afzali, Aumann, Bates, Boteler, Dwyer, Elliott, Fisher, Frank, George, Glass, Hogan, Hough, Kipke, McComas, McDermott, McDonough, O'Donnell, Otto, Schulz, Serafini, Szeliga, and Vitale**

Introduced and read first time: January 27, 2014

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Elimination of the Marriage Penalty**

3 FOR the purpose of altering the State income tax rate brackets for certain income of  
4 certain married couples and individuals; altering the amount allowed as a  
5 deduction for certain exemptions for certain married couples and individuals  
6 under the Maryland income tax under certain circumstances; providing for the  
7 application of this Act; and generally relating to altering the State income tax  
8 rates and amount allowed as a deduction for certain exemptions.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – General  
11 Section 10–105(a) and 10–211  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2013 Supplement)

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

16 **Article – Tax – General**

17 10–105.

18 (a) (1) For an individual other than an individual described in paragraph  
19 (2) of this subsection, the State income tax rate is:

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;
- 2 (iv) 4.75% of Maryland taxable income of \$3,001 through  
3 \$100,000;
- 4 (v) 5% of Maryland taxable income of \$100,001 through  
5 \$125,000;
- 6 (vi) 5.25% of Maryland taxable income of \$125,001 through  
7 \$150,000;
- 8 (vii) 5.5% of Maryland taxable income of \$150,001 through  
9 \$250,000; and
- 10 (viii) 5.75% of Maryland taxable income in excess of \$250,000.

11 (2) For spouses filing a joint return or for a surviving spouse or head of  
12 household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:

- 13 (i) 2% of Maryland taxable income of \$1 through \$1,000;
- 14 (ii) 3% of Maryland taxable income of \$1,001 through \$2,000;
- 15 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;
- 16 (iv) 4.75% of Maryland taxable income of \$3,001 through  
17 **[\$150,000] \$200,000;**
- 18 (v) 5% of Maryland taxable income of **[\$150,001] \$200,001**  
19 **through [\$175,000] \$250,000;**
- 20 (vi) 5.25% of Maryland taxable income of **[\$175,001] \$250,001**  
21 **through [\$225,000] \$300,000;**
- 22 (vii) 5.5% of Maryland taxable income of **[\$225,001] \$300,001**  
23 **through [\$300,000] \$500,000;** and
- 24 (viii) 5.75% of Maryland taxable income in excess of **[\$300,000]**  
25 **\$500,000.**

26 10–211.

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

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

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

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

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

10 (b) (1) If an individual other than one described in paragraph (2) of this  
11 subsection has federal adjusted gross income for the taxable year greater than  
12 \$100,000, the amount allowed for each exemption under subsection (a)(1) or (2) of this  
13 section is limited to:

14 (i) \$1,600 if federal adjusted gross income for the taxable year  
15 does not exceed \$125,000;

16 (ii) \$800 if federal adjusted gross income for the taxable year is  
17 greater than \$125,000 but not greater than \$150,000; and

18 (iii) \$0 if federal adjusted gross income for the taxable year is  
19 greater than \$150,000.

20 (2) If a married couple filing a joint return or an individual described  
21 in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse  
22 has federal adjusted gross income for the taxable year greater than ~~[\$150,000]~~  
23 **\$200,000**, the amount allowed for each exemption under subsection (a)(1) or (2) of this  
24 section is limited to:

25 (i) \$1,600 if federal adjusted gross income for the taxable year  
26 does not exceed ~~[\$175,000]~~ **\$250,000**;

27 (ii) \$800 if federal adjusted gross income for the taxable year is  
28 greater than ~~[\$175,000]~~ **\$250,000** but not greater than ~~[\$200,000]~~ **\$300,000**; and

29 (iii) \$0 if federal adjusted gross income for the taxable year is  
30 greater than ~~[\$200,000]~~ **\$300,000**.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,  
33 2013.