

HOUSE BILL 528

Q3

4lr1276

By: Delegates Krebs, Afzali, Arentz, Boteler, Cluster, Eckardt, Elliott, Fisher, George, Haddaway-Riccio, Hogan, Jacobs, Kipke, McComas, McConkey, McDermott, W. Miller, Norman, O'Donnell, Olszewski, Otto, Ready, Schulz, Serafini, Stocksedale, Szeliga, Vitale, Weir, and Wood

Introduced and read first time: January 29, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Standard Deduction – Inflation Adjustment**

3 FOR the purpose of altering the minimum and maximum limitation amounts of
4 certain standard deductions allowed under the State income tax for certain
5 taxable years by a certain cost-of-living adjustment; and generally relating to a
6 cost-of-living adjustment for certain standard deductions allowed under the
7 State income tax.

8 BY adding to

9 Article – Tax – General
10 Section 10–217(d)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2013 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 10–217.

17 **(D) (1) FOR EACH TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
18 **2014, EACH MINIMUM AND MAXIMUM STANDARD DEDUCTION LIMITATION**
19 **AMOUNT SPECIFIED IN SUBSECTION (C) OF THIS SECTION SHALL BE INCREASED**
20 **BY AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE MINIMUM AND**
21 **MAXIMUM STANDARD DEDUCTION LIMITATION AMOUNT TIMES THE**
22 **COST-OF-LIVING ADJUSTMENT SPECIFIED IN THIS SUBSECTION.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) FOR PURPOSES OF THIS SUBSECTION, THE COST-OF-LIVING**
2 **ADJUSTMENT IS THE COST-OF-LIVING ADJUSTMENT WITHIN THE MEANING OF §**
3 **1(F)(3) OF THE INTERNAL REVENUE CODE FOR THE CALENDAR YEAR IN WHICH**
4 **A TAXABLE YEAR BEGINS, AS DETERMINED BY THE COMPTROLLER BY**
5 **SUBSTITUTING “CALENDAR YEAR 2013” FOR “CALENDAR YEAR 1992” IN §**
6 **1(F)(3)(B) OF THE INTERNAL REVENUE CODE.**

7 **(3) IF ANY INCREASE DETERMINED UNDER PARAGRAPH (1) OF**
8 **THIS SUBSECTION IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE**
9 **ROUNDED DOWN TO THE NEXT LOWEST MULTIPLE OF \$50.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2014.