

HOUSE BILL 455

Q3

8lr1437
CF SB 518

By: **Delegates Olszewski, Bromwell, DeBoy, Elmore, Feldman, Frank, Frush, Guzzone, Ivey, James, Jennings, Kach, Kipke, Krebs, McDonough, McKee, Minnick, Murphy, Rice, Riley, Rosenberg, Schuh, Schuler, Shewell, Sossi, Stein, Stukes, Walker, and Weir**

Introduced and read first time: January 30, 2008

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 31, 2008

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Brackets – Inflation Adjustment**

3 FOR the purpose of increasing the State income tax rate bracket thresholds for certain
4 taxable years by a certain cost-of-living adjustment; and generally relating to a
5 cost-of-living adjustment for certain tax rate brackets.

6 BY adding to

7 Article – Tax – General

8 Section 10–105(e)

9 Annotated Code of Maryland

10 (2004 Replacement Volume and 2007 Supplement)

11 (As enacted by Chapter 3 of the Acts of the General Assembly of the 2007

12 Special Session)

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.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **(E) (1) FOR EACH TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
2 **2010, EACH RATE BRACKET THRESHOLD SPECIFIED IN THIS SECTION SHALL BE**
3 **INCREASED BY AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE**
4 **RATE BRACKET THRESHOLD TIMES THE COST-OF-LIVING ADJUSTMENT**
5 **SPECIFIED IN THIS SUBSECTION.**

6 **(2) FOR PURPOSES OF THIS SUBSECTION, THE COST-OF-LIVING**
7 **ADJUSTMENT IS THE COST-OF-LIVING ADJUSTMENT WITHIN THE MEANING OF §**
8 **1(F)(3) OF THE INTERNAL REVENUE CODE FOR THE CALENDAR YEAR IN WHICH**
9 **A TAXABLE YEAR BEGINS, AS DETERMINED BY THE COMPTROLLER BY**
10 **SUBSTITUTING “CALENDAR YEAR 2009” FOR “CALENDAR YEAR 1992” IN §**
11 **1(F)(3)(B) OF THE INTERNAL REVENUE CODE.**

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

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.