HOUSE BILL 1183

Q3 1lr2848

By: **Delegate Kipke**
Introduced and read first time: February 8, 2021
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income Tax – Standard Deduction – Charitable Contributions

FOR the purpose of altering the calculation of a certain standard deduction allowed under the Maryland income tax to include, under certain circumstances, a certain adjustment for certain charitable contributions; providing for the application of this Act; and generally relating to the standard deduction allowed under the Maryland income tax.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–217
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

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

Article – Tax – General

10–217.

(a) (1) (i) Except as otherwise provided in this subsection, an individual may elect to use the standard deduction to compute Maryland taxable income whether or not the individual itemizes deductions on the individual's federal income tax return in determining federal taxable income.

(ii) If an individual elects to use the standard deduction on the federal income tax return, the individual may not take any itemized deduction in § 10–218 of this subtitle.

(2) A fiduciary may not use the standard deduction.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(b) Subject to the limitation in subsection (c) of this section, the standard deduction for an individual is an amount equal to **THE SUM OF:**

(1) 15% of the individual's Maryland adjusted gross income**; AND**

(2) IF THE INDIVIDUAL DOES NOT ITEMIZE DEDUCTIONS ON THE INDIVIDUAL'S FEDERAL INCOME TAX RETURN, 25% OF THE AMOUNT THAT WOULD HAVE BEEN ALLOWED AS A DEDUCTION UNDER § 170 OF THE INTERNAL REVENUE CODE HAD THE INDIVIDUAL ITEMIZED DEDUCTIONS ON THE INDIVIDUAL'S FEDERAL INCOME TAX RETURN.

(c) (1) For an individual other than one described in paragraphs (2) and (3) of this subsection, the standard deduction:

(i) may not be less than $1,500; and

(ii) may not exceed $2,250.

(2) For an individual described in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse, the standard deduction:

(i) may not be less than $3,000; and

(ii) may not exceed $4,500.

(3) For spouses on a joint return, the standard deduction:

(i) may not be less than $3,000; and

(ii) may not exceed $4,500.

(d) (1) For each taxable year beginning after December 31, 2018, each minimum and maximum standard deduction limitation amount specified in subsection (c) of this section shall be increased by an amount equal to the product of multiplying the minimum and maximum standard deduction limitation amount by the cost–of–living adjustment specified in this subsection**.**

(2) For purposes of this subsection, the cost–of–living adjustment is the cost–of–living adjustment within the meaning of § 1(f)(3) of the Internal Revenue Code for the calendar year in which a taxable year begins, as determined by the Comptroller, by substituting "calendar year 2017" for "calendar year 2016" in § 1(f)(3)(A) of the Internal Revenue Code.

(3) If any increase determined under paragraph (1) of this subsection is not a multiple of $50, the increase shall be rounded down to the next lowest multiple of $50.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.