

(II) \$15,000 FOR INDIVIDUALS FILING A JOINT RETURN FOR MARYLAND INCOME TAX PURPOSES.

(4) THE AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, AS LIMITED UNDER PARAGRAPH (3) OF THIS SUBSECTION, SHALL BE REDUCED, BUT NOT BELOW ZERO, BY AN AMOUNT EQUAL TO:

(I) ONE-HALF OF THE EXCESS OVER \$50,000 OF THE ORDINARY FEDERAL ADJUSTED GROSS INCOME OF AN INDIVIDUAL OTHER THAN A MARRIED INDIVIDUAL FILING A JOINT RETURN FOR MARYLAND INCOME TAX PURPOSES; OR

(II) ONE-HALF OF THE EXCESS OVER \$100,000 OF THE ORDINARY FEDERAL ADJUSTED GROSS INCOME OF INDIVIDUALS FILING A JOINT RETURN FOR MARYLAND INCOME TAX PURPOSES.

[(3)] (5) The amount determined under paragraph (2) of this subsection, AS LIMITED AND REDUCED UNDER PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, shall be reduced, but not below zero, by the amount of any portion of net capital gain excluded from federal adjusted gross income for federal income tax purposes.

(6) FOR PURPOSES OF THIS SUBSECTION, INDIVIDUALS FILING A COMBINED SEPARATE RETURN FOR MARYLAND INCOME TAX PURPOSES SHALL BE TREATED AS 2 SINGLE INDIVIDUALS.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

10-207.

[(i) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Net capital gain” means net capital gain, as defined and determined under the Internal Revenue Code, before any exclusion for federal income tax purposes.

(iii) “Ordinary federal adjusted gross income” means federal adjusted gross income, as determined under the Internal Revenue Code, reduced by the portion of net capital gain included in federal adjusted gross income.

(2) Except as provided in paragraphs (3) through (5) of this subsection, the subtraction under subsection (a) of this section includes an amount equal to 30% of net capital gain.

(3) The subtraction under paragraph (2) of this subsection may not exceed:

(i) \$7,500 for an individual other than a married individual filing a joint return for Maryland income tax purposes; or

(ii) \$15,000 for individuals filing a joint return for Maryland income tax purposes.