

(1) estimated tax payments for an individual or a corporation for the taxable year shall reflect the revised income tax rates under § 10-105(a) and (b) of the Tax - General Article as enacted under Sections 1 and 4 of this Act; and

(2) notwithstanding §§ 13-602 and 13-702 of the Tax - General Article, the Comptroller shall assess interest and penalties under §§ 13-602 and 13-702 of the Tax - General Article:

(i) if an individual pays estimated income tax for the taxable year in an amount that is:

1. less than 90% of the tax required to be shown on the return for the current taxable year; and

2. less than ~~125%~~ 120% of the tax paid for the prior taxable year, reduced by the credit allowed under § 10-703 of the Tax - General Article; or

(ii) if a corporation pays estimated income tax for the taxable year in an amount that is:

1. less than 90% of the tax required to be shown on the return for the current taxable year; and

2. less than ~~125%~~ 130% of the tax paid for the prior taxable year.

~~SECTION 8. 12. AND BE IT FURTHER ENACTED, That the Comptroller shall adopt regulations that will exempt from the increase in the rate of the sales and use tax under § 11-104 of the Tax - General Article as enacted by Section 2 of this Act any otherwise taxable sales of tangible personal property to contractors or builders to be used for the construction, repair, or alteration of real property, on contracts entered into prior to the effective date of the sales and use tax increase under § 11-104 of the Tax - General Article as enacted by Section 2 of this Act. The exemption may be in the form of a refund, credit, or, to the extent practicable, deduction at the time of sale. The regulations shall be applicable only with respect to the 1% increase in the rate of the sales and use tax which becomes effective January 3, 2008.~~

SECTION 9. AND BE IT FURTHER ENACTED, That, on or before December 1, 2009, and December 1, 2011, the Comptroller shall report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly, on the implementation of the imposition of the sales and use tax on the sale of computer services, as provided for under this Act, and the impact on sales and use tax revenues as a result of the imposition of the sales and use tax on the sale of computer services.