

Annotated Code of Maryland
(1988 Volume and 1990 Supplement)

Preamble

WHEREAS, Congress has not reenacted the federal exclusion for capital gains since the Tax Reform Act of 1986; and

WHEREAS, The General Assembly believes that whether or not lowering federal taxes on capital gains is appropriate, the Maryland subtraction modification for capital gains does not by itself provide sufficient incentive to encourage economic investment; and

WHEREAS, If Congress enacts an exclusion for capital gains from federal adjusted gross income, Maryland law allows such an exclusion for Maryland tax purposes; and

WHEREAS, If Congress enacts a lower federal tax rate for capital gains which does not reduce the state taxation of capital gains, the General Assembly will consider the restoration of the Maryland subtraction modification for capital gains; and

WHEREAS, The General Assembly recognizes the need to make certain tax changes to generate revenues to help balance the State Budget and to support certain needs of the citizens of the State; and

WHEREAS, The General Assembly has provided in the fiscal year 1992 Budget appropriations that are contingent on the ~~removal of the sales tax exemption for cigarettes enactment of this Act; and~~

WHEREAS, The General Assembly is enacting ~~the removal of the sales tax exemption for cigarettes~~ this Act in part to restore General Fund appropriations as specified in the budget bill Chapter (H.B. 650) of the Acts of the General Assembly of 1991 and outlined as follows:

<u>Program</u>	<u>Title or Purpose</u>	<u>Amount</u>
	19.07.00.00 State Grants to Subdivisions	14,778,355
	35.06.01.01 Baltimore City Foot Patrol Aid	1,000,000
	35.06.01.02 P.G. County Drug Enforcement Aid	500,000
	35.06.01.02 Resident Trooper Program	471,647
	35.13.00.02 State Aid for Fire and Ambulance	1,250,000
	36.01.02.01 Basic Current Expense Aid	12,500,000
		69,400,000
		65,400,000
	36.01.02.03 Aid for Local Employees Benefits	3,500,000
	36.01.02.13 Magnet School Aid — Prince George's	3,000,000
	<u>Total General Funds</u>	<u>37,000,000</u>
		69,400,000
		65,400,000