

(v) 5% of Maryland taxable income of \$150,001 through \$300,000;

(vi) 5.25% of Maryland taxable income of \$300,001 through \$500,000; and

(vii) 5.5% of Maryland taxable income in excess of \$500,000.

(2) [For] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, FOR spouses filing a joint return or for a surviving spouse or head of household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:

(i) 2% of Maryland taxable income of \$1 through \$1,000;

(ii) 3% of Maryland taxable income of \$1,001 through \$2,000;

(iii) 4% of Maryland taxable income of \$2,001 through \$3,000;

(iv) 4.75% of Maryland taxable income of \$3,001 through \$200,000;

(v) 5% of Maryland taxable income of \$200,001 through \$350,000;

(vi) 5.25% of Maryland taxable income of \$350,001 through \$500,000; and

(vii) 5.5% of Maryland taxable income in excess of \$500,000.

(3) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2007, BUT BEFORE JANUARY 1, 2011, THE STATE INCOME TAX FOR AN INDIVIDUAL, INCLUDING SPOUSES FILING A JOINT RETURN OR A SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED IN § 2 OF THE INTERNAL REVENUE CODE, IS:

(I) FOR MARYLAND TAXABLE INCOME UP TO \$500,000, THE RATE SPECIFIED IN PARAGRAPH (1)(I) THROUGH (VI) OR (2)(I) THROUGH (VI) OF THIS SUBSECTION; AND

(II) FOR MARYLAND TAXABLE INCOME IN EXCESS OF \$500,000: