



Peter Franchot
Comptroller

David Roose
Director
Bureau of Revenue Estimates

August 18, 2010

Honorable Martin O'Malley
Governor of Maryland
State House
Annapolis, Maryland 21401

Honorable Thomas V. "Mike" Miller, Jr.
President, Senate of Maryland
State House
Annapolis, Maryland 21401

Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House
Annapolis, Maryland 21401

Dear Governor, President and Speaker:

Section 10-108 of the Tax-General Article of the Annotated Code of Maryland requires that the Comptroller's Office report the impact of changes in federal income tax law on State revenues. On August 16, 2010, President Obama signed into law H.R. 5552, the *Firearms Excise Tax Improvement Act of 2010* ("the Act"). The Act amends the Internal Revenue Code (IRC) to require excise taxes on recreational equipment to be due quarterly, and for the Secretary of the Treasury to assess and collect mandatory orders of restitution for victims of crime. The Act also increases, by 0.25%, the required estimated tax payment for corporations with assets greater than \$1 billion beginning in the third quarter of 2015. Neither provision affects the federal adjusted gross income of individuals or federal taxable income of corporations; therefore, Maryland revenues are not affected.

Please do not hesitate to contact me at (410) 260-7450 if you have any questions about this matter.

Sincerely,

David F. Roose
Director

cc: Honorable Peter Franchot