MARYLAND MAY SUFFER 500 LAYOFFS WARNS MILLER

Maryland Senate President Thomas V. Mike Miller warned of a "doomsday" budget plan that could include 500 state government layoffs if the lawmakers failed to find a solution to tackle the state's $1.1 billion budget deficit. The announcement was made on Wednesday while Maryland residents rallied against a proposed cap on income tax deductions. Miller said he believes that an alternative could be found in the governor's budget plan. After the session, Miller told reporters, "Five hundred live bodies employed by state government are going to get fired if the people here on the Senate and House floor aren't able to come up with a majority of votes to vote for revenues." Hundreds of residents protested in front of the Maryland State House, amidst steady rain, against a proposal by the Governor Martin O'Malley that suggested the capping of income tax deductions for taxpayers above $100,000 annual income at 90% and at 80% for taxpayers who made above $200.000. The proposal was also designed to affect mortgage interest deductions. People asked how a benefit which they bought before a decade could be changed now, especially when it related to homes of people. The largest amount of itemized deductions in Maryland come from Mortgage interests and comprise of a total 51 percent of all itemized deductions. Charitable contributions and property taxes respectively come next. The Senate Budget and Taxation Committee is in the process of preparing a big budget-balancing bill containing the proposal. According to proponents the measure would balance the budget by increasing taxes and fees, eliminating tax credits and exemptions and by money transfer between accounts. Real estate agents were up in arms against the proposal for weeks as it would severely affect the real estate sector and hurt demand. Miller expressed doubts as to the survival of the proposal of the Governor once the legislators and lawmakers finish amending the Governor's budget plan.