

SENATE BILL 249

Q3
SB 30/1SS11 – SRU

2lr0711

By: **Senators Jones–Rodwell and Pinsky**
Introduced and read first time: January 25, 2012
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Individual Income Tax – Millionaires’ Tax**

3 FOR the purpose of altering the State income tax rate for certain income of
4 individuals; requiring the Comptroller to waive certain interest and penalties
5 for a certain calendar year to a certain extent; repealing an obsolete provision;
6 providing for the application of this Act; and generally relating to the State
7 individual income tax.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 10–105(a)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2011 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 10–105.

17 (a) (1) [Except as provided in paragraph (3) of this subsection, for] **FOR**
18 an individual other than an individual described in paragraph (2) of this subsection,
19 the State income tax rate is:

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iv) 4.75% of Maryland taxable income of \$3,001 through
2 \$150,000;

3 (v) 5% of Maryland taxable income of \$150,001 through
4 \$300,000;

5 (vi) 5.25% of Maryland taxable income of \$300,001 through
6 \$500,000; [and]

7 (vii) 5.5% of Maryland taxable income [in excess] of [\$500,000]
8 **\$500,001 THROUGH \$1,000,000; AND**

9 **(VIII) 6.25% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
10 **\$1,000,000.**

11 (2) [Except as provided in paragraph (3) of this subsection, for] **FOR**
12 spouses filing a joint return or for a surviving spouse or head of household as defined
13 in § 2 of the Internal Revenue Code, the State income tax rate is:

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

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

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

17 (iv) 4.75% of Maryland taxable income of \$3,001 through
18 \$200,000;

19 (v) 5% of Maryland taxable income of \$200,001 through
20 \$350,000;

21 (vi) 5.25% of Maryland taxable income of \$350,001 through
22 \$500,000; [and]

23 (vii) 5.5% of Maryland taxable income [in excess] of [\$500,000]
24 **\$500,001 THROUGH \$1,000,000; AND**

25 **(VIII) 6.25% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
26 **\$1,000,000.**

27 [(3) For a taxable year beginning after December 31, 2007, but before
28 January 1, 2011, the State income tax for an individual, including spouses filing a
29 joint return or a surviving spouse or head of household as defined in § 2 of the Internal
30 Revenue Code, is:

1 (i) for Maryland taxable income up to \$500,000, the rate
2 specified in paragraph (1)(i) through (vi) or (2)(i) through (vi) of this subsection; and

3 (ii) for Maryland taxable income in excess of \$500,000:

4 1. 5.5% of Maryland taxable income of \$500,001 through
5 \$1,000,000; and

6 2. 6.25% of Maryland taxable income in excess of
7 \$1,000,000.]

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Comptroller shall
9 waive any interest or penalty imposed on an individual relating to payment of
10 estimated income tax for calendar year 2012 to the extent that the Comptroller
11 determines that the interest or penalty would not have been incurred but for an
12 increase in the income tax rates for calendar year 2012 under Section 1 of this Act.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,
15 2011.