

HOUSE BILL 1166

Q3

6lr2340

By: **Delegates Buckel, Arentz, Beitzel, Folden, Grammer, Krebs, McKay, McMillan, Metzgar, Miele, Rose, Shoemaker, and Vogt**
Introduced and read first time: February 11, 2016
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Rates**

3 FOR the purpose of altering the State income tax rates on certain income of individuals;
4 providing for the application and termination of certain provisions of this Act; and
5 generally relating to the State income tax rates on the income of individuals.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 10–105(a)
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2015 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – General
13 Section 10–105(a)
14 Annotated Code of Maryland
15 (2010 Replacement Volume and 2015 Supplement)
16 (As enacted by Section 1 of this Act)

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

19 **Article – Tax – General**

20 10–105.

21 (a) (1) For an individual other than an individual described in paragraph (2)
22 of this subsection, the State income tax rate is:

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

3 (iv) **1. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
 4 **31, 2015, BUT BEFORE JANUARY 1, 2017, 4.75% of Maryland taxable income of \$3,001**
 5 **through \$100,000;**

6 **2. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
 7 **31, 2016, BUT BEFORE JANUARY 1, 2018, 4.50% OF MARYLAND TAXABLE INCOME OF**
 8 **\$3,001 THROUGH \$100,000;**

9 **3. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
 10 **31, 2017, BUT BEFORE JANUARY 1, 2019, 4.25% OF MARYLAND TAXABLE INCOME OF**
 11 **\$3,001 THROUGH \$100,000; AND**

12 **4. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
 13 **31, 2018, BUT BEFORE JANUARY 1, 2020, 4% OF MARYLAND TAXABLE INCOME OF**
 14 **\$3,001 THROUGH \$100,000;**

15 (v) 5% of Maryland taxable income of \$100,001 through \$125,000;

16 (vi) 5.25% of Maryland taxable income of \$125,001 through \$150,000;

17 (vii) 5.5% of Maryland taxable income of \$150,001 through \$250,000;

18 and

19 (viii) 5.75% of Maryland taxable income in excess of \$250,000.

20 (2) For spouses filing a joint return or for a surviving spouse or head of
 21 household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:

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

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

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

25 (iv) **1. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
 26 **31, 2015, BUT BEFORE JANUARY 1, 2017, 4.75% of Maryland taxable income of \$3,001**
 27 **through \$150,000;**

1 **2. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
2 **31, 2016, BUT BEFORE JANUARY 1, 2018, 4.5% OF MARYLAND TAXABLE INCOME OF**
3 **\$3,001 THROUGH \$150,000;**

4 **3. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
5 **31, 2017, BUT BEFORE JANUARY 1, 2019, 4.25% OF MARYLAND TAXABLE INCOME OF**
6 **\$3,001 THROUGH \$150,000; AND**

7 **4. FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
8 **31, 2018, BUT BEFORE JANUARY 1, 2020, 4% OF MARYLAND TAXABLE INCOME OF**
9 **\$3,001 THROUGH \$150,000;**

10 (v) 5% of Maryland taxable income of \$150,001 through \$175,000;

11 (vi) 5.25% of Maryland taxable income of \$175,001 through \$225,000;

12 (vii) 5.5% of Maryland taxable income of \$225,001 through \$300,000;

13 and

14 (viii) 5.75% of Maryland taxable income in excess of \$300,000.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
16 as follows:

17 **Article – Tax – General**

18 10–105.

19 (a) (1) For an individual other than an individual described in paragraph (2)
20 of this subsection, the State income tax rate is:

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

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

23 (iii) ~~[4%]~~ **3.75%** of Maryland taxable income of \$2,001 through
24 **[\$3,000;**

25 (iv) 1. for a taxable year beginning after December 31, 2015, but
26 before January 1, 2017, 4.75% of Maryland taxable income of \$3,001 through \$100,000;

27 2. for a taxable year beginning after December 31, 2016, but
28 before January 1, 2018, 4.50% of Maryland taxable income of \$3,001 through \$100,000;

29 3. for a taxable year beginning after December 31, 2017, but
30 before January 1, 2019, 4.25% of Maryland taxable income of \$3,001 through \$100,000; and

1 4. for a taxable year beginning after December 31, 2018, but
2 before January 1, 2020, 4% of Maryland taxable income of \$3,001 through] \$100,000;

3 [(v)] (IV) 5% of Maryland taxable income of \$100,001 through
4 \$125,000;

5 [(vi)] (V) 5.25% of Maryland taxable income of \$125,001 through
6 \$150,000;

7 [(vii)] (VI) 5.5% of Maryland taxable income of \$150,001 through
8 \$250,000; and

9 [(viii)] (VII) 5.75% of Maryland taxable income in excess of \$250,000.

10 (2) For spouses filing a joint return or for a surviving spouse or head of
11 household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:

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

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

14 (iii) [4%] **3.75%** of Maryland taxable income of \$2,001 through
15 [\$3,000;

16 (iv) 1. for a taxable year beginning after December 31, 2015, but
17 before January 1, 2017, 4.75% of Maryland taxable income of \$3,001 through \$150,000;

18 2. for a taxable year beginning after December 31, 2016, but
19 before January 1, 2018, 4.5% of Maryland taxable income of \$3,001 through \$150,000;

20 3. for a taxable year beginning after December 31, 2017, but
21 before January 1, 2019, 4.25% of Maryland taxable income of \$3,001 through \$150,000; and

22 4. for a taxable year beginning after December 31, 2018, but
23 before January 1, 2020, 4% of Maryland taxable income of \$3,001 through] \$150,000;

24 [(v)] (IV) 5% of Maryland taxable income of \$150,001 through
25 \$175,000;

26 [(vi)] (V) 5.25% of Maryland taxable income of \$175,001 through
27 \$225,000;

28 [(vii)] (VI) 5.5% of Maryland taxable income of \$225,001 through
29 \$300,000; and

1 [(viii)] (VII) 5.75% of Maryland taxable income in excess of \$300,000.

2 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
3 effect July 1, 2020, and shall applicable to all taxable years beginning after December 31,
4 2019.

5 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
6 3 of this Act, this Act shall take effect July 1, 2016. Section 1 of this Act shall remain
7 effective for a period of 4 years and, at the end of June 30, 2020, with no further action
8 required by the General Assembly, Section 1 of this Act shall be abrogated and of no further
9 force and effect.