

SENATE BILL 124

Q3
HB 326/14 – W&M

6lr1709
CF 6lr1708

By: **Senator Serafini**

Introduced and read first time: January 15, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Relief Act of 2016**

3 FOR the purpose of altering over a certain period of years the State income tax rate on the
4 Maryland taxable income of certain individuals; providing for a delayed effective
5 date; and generally relating to the individual income tax.

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

13 **Article – Tax – General**

14 10–105.

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

17 **(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
18 **2016, BUT BEFORE JANUARY 1, 2018:**

19 [(i)] 1. [2%] **1.93%** of Maryland taxable income of \$1 through
20 \$1,000;

21 [(ii)] 2. [3%] **2.9%** of Maryland taxable income of \$1,001 through
22 \$2,000;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 [(iii)] 3. [4%] 3.87% of Maryland taxable income of \$2,001
2 through \$3,000;
- 3 [(iv)] 4. [4.75%] 4.59% of Maryland taxable income of \$3,001
4 through \$100,000;
- 5 [(v)] 5. [5%] 4.83% of Maryland taxable income of \$100,001
6 through \$125,000;
- 7 [(vi)] 6. [5.25%] 5.08% of Maryland taxable income of
8 \$125,001 through \$150,000;
- 9 [(vii)] 7. [5.5%] 5.32% of Maryland taxable income of
10 \$150,001 through \$250,000; and
- 11 [(viii)] 8. [5.75%] 5.56% of Maryland taxable income in
12 excess of \$250,000;

13 (II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
14 2017, BUT BEFORE JANUARY 1, 2019:

- 15 1. 1.87% OF MARYLAND TAXABLE INCOME OF \$1
16 THROUGH \$1,000;
- 17 2. 2.8% OF MARYLAND TAXABLE INCOME OF \$1,001
18 THROUGH \$2,000;
- 19 3. 3.73% OF MARYLAND TAXABLE INCOME OF \$2,001
20 THROUGH \$3,000;
- 21 4. 4.43% OF MARYLAND TAXABLE INCOME OF \$3,001
22 THROUGH \$100,000;
- 23 5. 4.67% OF MARYLAND TAXABLE INCOME OF \$100,001
24 THROUGH \$125,000;
- 25 6. 4.9% OF MARYLAND TAXABLE INCOME OF \$125,001
26 THROUGH \$150,000;
- 27 7. 5.13% OF MARYLAND TAXABLE INCOME OF \$150,001
28 THROUGH \$250,000; AND

1 8. 5.37% OF MARYLAND TAXABLE INCOME IN EXCESS OF
2 \$250,000; AND

3 (III) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
4 2018:

5 1. 1.8% OF MARYLAND TAXABLE INCOME OF \$1
6 THROUGH \$1,000;

7 2. 2.7% OF MARYLAND TAXABLE INCOME OF \$1,001
8 THROUGH \$2,000;

9 3. 3.6% OF MARYLAND TAXABLE INCOME OF \$2,001
10 THROUGH \$3,000;

11 4. 4.28% OF MARYLAND TAXABLE INCOME OF \$3,001
12 THROUGH \$100,000;

13 5. 4.5% OF MARYLAND TAXABLE INCOME OF \$100,001
14 THROUGH \$125,000;

15 6. 4.73% OF MARYLAND TAXABLE INCOME OF \$125,001
16 THROUGH \$150,000;

17 7. 4.95% OF MARYLAND TAXABLE INCOME OF \$150,001
18 THROUGH \$250,000; AND

19 8. 5.18% OF MARYLAND TAXABLE INCOME IN EXCESS OF
20 \$250,000.

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

23 (I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
24 2016, BUT BEFORE JANUARY 1, 2018:

25 [(i)] 1. [2%] 1.93% of Maryland taxable income of \$1 through
26 \$1,000;

27 [(ii)] 2. [3%] 2.9% of Maryland taxable income of \$1,001 through
28 \$2,000;

29 [(iii)] 3. [4%] 3.87% of Maryland taxable income of \$2,001
30 through \$3,000;

- 1 [(iv)] 4. [4.75%] **4.59%** of Maryland taxable income of \$3,001
 2 through \$150,000;
- 3 [(v)] 5. [5%] **4.83%** of Maryland taxable income of \$150,001
 4 through \$175,000;
- 5 [(vi)] 6. [5.25%] **5.08%** of Maryland taxable income of
 6 \$175,001 through \$225,000;
- 7 [(vii)] 7. [5.5%] **5.32%** of Maryland taxable income of
 8 \$225,001 through \$300,000; and
- 9 [(viii)] 8. [5.75%] **5.56%** of Maryland taxable income in
 10 excess of \$300,000;

11 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
 12 **2017, BUT BEFORE JANUARY 1, 2019:**

- 13 1. **1.87% OF MARYLAND TAXABLE INCOME OF \$1**
 14 **THROUGH \$1,000;**
- 15 2. **2.8% OF MARYLAND TAXABLE INCOME OF \$1,001**
 16 **THROUGH \$2,000;**
- 17 3. **3.73% OF MARYLAND TAXABLE INCOME OF \$2,001**
 18 **THROUGH \$3,000;**
- 19 4. **4.43% OF MARYLAND TAXABLE INCOME OF \$3,001**
 20 **THROUGH \$150,000;**
- 21 5. **4.67% OF MARYLAND TAXABLE INCOME OF \$150,001**
 22 **THROUGH \$175,000;**
- 23 6. **4.9% OF MARYLAND TAXABLE INCOME OF \$175,001**
 24 **THROUGH \$225,000;**
- 25 7. **5.13% OF MARYLAND TAXABLE INCOME OF \$225,001**
 26 **THROUGH \$300,000; AND**
- 27 8. **5.37% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
 28 **\$300,000; AND**

1 (III) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
2 2018:

- 3 1. 1.8% OF MARYLAND TAXABLE INCOME OF \$1
4 THROUGH \$1,000;
- 5 2. 2.7% OF MARYLAND TAXABLE INCOME OF \$1,001
6 THROUGH \$2,000;
- 7 3. 3.6% OF MARYLAND TAXABLE INCOME OF \$2,001
8 THROUGH \$3,000;
- 9 4. 4.28% OF MARYLAND TAXABLE INCOME OF \$3,001
10 THROUGH \$150,000;
- 11 5. 4.5% OF MARYLAND TAXABLE INCOME OF \$150,001
12 THROUGH \$175,000;
- 13 6. 4.73% OF MARYLAND TAXABLE INCOME OF \$175,001
14 THROUGH \$225,000;
- 15 7. 4.95% OF MARYLAND TAXABLE INCOME OF \$225,001
16 THROUGH \$300,000; AND
- 17 8. 5.18% OF MARYLAND TAXABLE INCOME IN EXCESS OF
18 \$300,000.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2017.