m Q3 m 3lr 1048 m CF HB 142

By: Senators Rosapepe, Lewis Young, and Muse

Introduced and read first time: January 26, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning 2 More Local Tax Relief for Working Families Act of 2023 3 FOR the purpose of altering, subject to certain limitations, the maximum tax rate that a county may impose on an individual's Maryland taxable income; and generally 4 5 relating to the county income tax. 6 BY repealing and reenacting, with amendments, 7 Article – Tax – General 8 Section 10–106 9 Annotated Code of Maryland 10 (2022 Replacement Volume) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND. 11 12 That the Laws of Maryland read as follows: Article - Tax - General 13 10-106. 14 15 (a) (1) Each county shall set, by ordinance or resolution, a county income tax 16 equal to at least 2.25% but not more than THE PERCENTAGE OF AN INDIVIDUAL'S 17 MARYLAND TAXABLE INCOME AS FOLLOWS: 3.20% [of an individual's Maryland taxable income] for a taxable 18 **(I)** 19 year beginning after December 31, 2001, BUT BEFORE JANUARY 1, 2024; AND 20 (II)3.7% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 21 31, 2023.

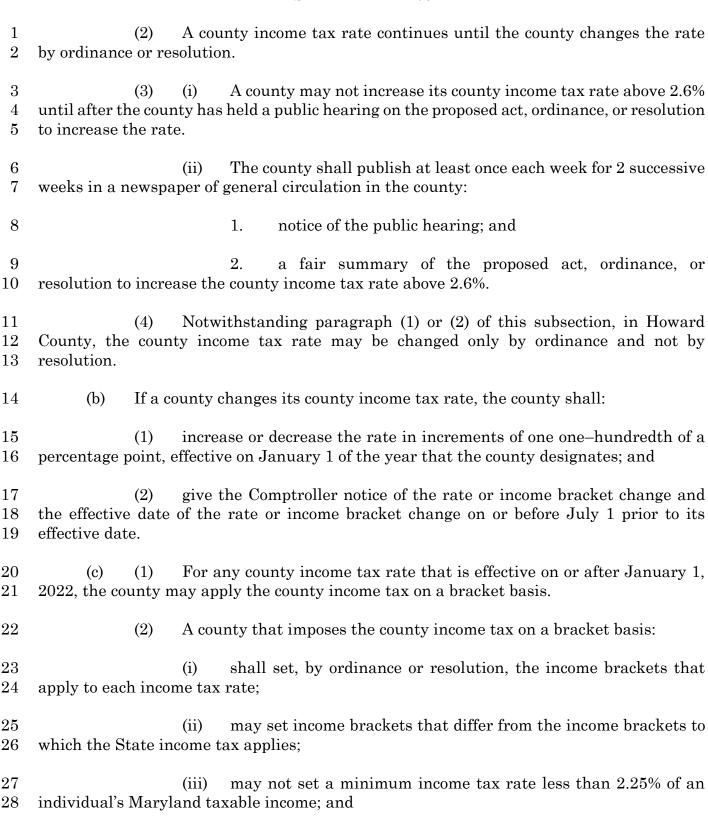


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(iv)

is less than the income tax rate applied to a lower income bracket.



may not apply an income tax rate to a higher income bracket that

- 1 (3) A county may request information from the Comptroller to assist the 2 county in determining income brackets and applicable income tax rates that are 3 revenue—neutral for the county.
- 4 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY 5 MAY SET AN INCOME TAX RATE THAT IS GREATER THAN 3.2% ONLY ON MARYLAND 6 TAXABLE INCOME THAT IS IN EXCESS OF TWO TIMES THE MAXIMUM INCOME TAX 7 BRACKET THRESHOLD ESTABLISHED UNDER:
- 8 (I) § 10–105(A)(1) OF THIS SUBTITLE FOR INDIVIDUALS OTHER 9 THAN AN INDIVIDUAL DESCRIBED UNDER ITEM (II) OF THIS PARAGRAPH; AND
- 10 (II) § 10–105(A)(2) OF THIS SUBTITLE FOR SPOUSES FILING A
 11 JOINT RETURN OR FOR A SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED
 12 IN § 2 OF THE INTERNAL REVENUE CODE.
- 13 (2) (I) THIS PARAGRAPH DOES NOT APPLY TO A COUNTY IF ITS
 14 COUNTY INCOME TAX RATE ON THE LOWEST INCOME BRACKET EQUALS 2.25% OF AN
 15 INDIVIDUAL'S MARYLAND TAXABLE INCOME.
- 16 (II) A COUNTY MAY NOT SET AN INCOME TAX RATE THAT IS
 17 GREATER THAN 3.2% FOR ANY INCOME BRACKET UNLESS THE COUNTY
 18 CONCURRENTLY REDUCES THE INCOME TAX RATE APPLICABLE TO THE LOWEST
 19 INCOME BRACKET.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.