

SENATE BILL 523

Q3

2lr2940

By: **Senator Manno**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Repeal of the 1997 Income Tax Reduction**

3 FOR the purpose of altering the State income tax rate on 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 altering the
7 calculation of the State 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%] **5%** of Maryland taxable income of \$3,001 through
2 \$150,000;

3 (v) [5%] **5.25%** of Maryland taxable income of \$150,001
4 through \$300,000;

5 (vi) [5.25%] **5.5%** of Maryland taxable income of \$300,001
6 through \$500,000; and

7 (vii) [5.5%] **5.75%** of Maryland taxable income in excess of
8 \$500,000.

9 (2) [Except as provided in paragraph (3) of this subsection, for] **FOR**
10 spouses filing a joint return or for a surviving spouse or head of household as defined
11 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% of Maryland taxable income of \$2,001 through \$3,000;

15 (iv) [4.75%] **5%** of Maryland taxable income of \$3,001 through
16 \$200,000;

17 (v) [5%] **5.25%** of Maryland taxable income of \$200,001
18 through \$350,000;

19 (vi) [5.25%] **5.5%** of Maryland taxable income of \$350,001
20 through \$500,000; and

21 (vii) [5.5%] **5.75%** of Maryland taxable income in excess of
22 \$500,000.

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

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

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

