

HOUSE BILL 326

Q3

4lr1526

By: **Delegates Serafini, Afzali, Arentz, Bates, Beitzel, Cluster, Dwyer, Eckardt, Elliott, Fisher, Frank, George, Haddaway-Riccio, Hogan, Hough, Impallaria, Jacobs, Kach, Kipke, Krebs, McComas, McConkey, McDermott, McMillan, Myers, Otto, Parrott, Schuh, Schulz, Stocksdale, and Szeliga**

Introduced and read first time: January 22, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Relief Act of 2014**

3 FOR the purpose of altering over a certain period of years the State income tax rate on
4 the Maryland taxable income of certain individuals; and generally relating to
5 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 2013 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, 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
16 (2) of this subsection, the State income tax rate is:

17 **(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
18 **2013, BUT BEFORE JANUARY 1, 2015:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 [(i) 2%] 1. **1.93%** of Maryland taxable income of \$1
 2 through \$1,000;
- 3 [(ii) 3%] 2. **2.9%** of Maryland taxable income of \$1,001
 4 through \$2,000;
- 5 [(iii) 4%] 3. **3.87%** of Maryland taxable income of \$2,001
 6 through \$3,000;
- 7 [(iv) 4.75%] 4. **4.59%** of Maryland taxable income of
 8 \$3,001 through \$100,000;
- 9 [(v) 5%] 5. **4.83%** of Maryland taxable income of \$100,001
 10 through \$125,000;
- 11 [(vi) 5.25%] 6. **5.08%** of Maryland taxable income of
 12 \$125,001 through \$150,000;
- 13 [(vii) 5.5%] 7. **5.32%** of Maryland taxable income of \$150,001
 14 through \$250,000; and
- 15 [(viii) 5.75%] 8. **5.56%** of Maryland taxable income in
 16 excess of \$250,000;

17 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
 18 **2014, BUT BEFORE JANUARY 1, 2016:**

- 19 1. **1.87% OF MARYLAND TAXABLE INCOME OF \$1**
 20 **THROUGH \$1,000;**
- 21 2. **2.8% OF MARYLAND TAXABLE INCOME OF \$1,001**
 22 **THROUGH \$2,000;**
- 23 3. **3.73% OF MARYLAND TAXABLE INCOME OF \$2,001**
 24 **THROUGH \$3,000;**
- 25 4. **4.43% OF MARYLAND TAXABLE INCOME OF \$3,001**
 26 **THROUGH \$100,000;**
- 27 5. **4.67% OF MARYLAND TAXABLE INCOME OF**
 28 **\$100,001 THROUGH \$125,000;**
- 29 6. **4.9% OF MARYLAND TAXABLE INCOME OF**
 30 **\$125,001 THROUGH \$150,000;**

1 **7. 5.13% OF MARYLAND TAXABLE INCOME OF**
2 **\$150,001 THROUGH \$250,000; AND**

3 **8. 5.37% OF MARYLAND TAXABLE INCOME IN**
4 **EXCESS OF \$250,000; AND**

5 **(III) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
6 **2015:**

7 **1. 1.8% OF MARYLAND TAXABLE INCOME OF \$1**
8 **THROUGH \$1,000;**

9 **2. 2.7% OF MARYLAND TAXABLE INCOME OF \$1,001**
10 **THROUGH \$2,000;**

11 **3. 3.6% OF MARYLAND TAXABLE INCOME OF \$2,001**
12 **THROUGH \$3,000;**

13 **4. 4.28% OF MARYLAND TAXABLE INCOME OF \$3,001**
14 **THROUGH \$100,000;**

15 **5. 4.5% OF MARYLAND TAXABLE INCOME OF**
16 **\$100,001 THROUGH \$125,000;**

17 **6. 4.73% OF MARYLAND TAXABLE INCOME OF**
18 **\$125,001 THROUGH \$150,000;**

19 **7. 4.95% OF MARYLAND TAXABLE INCOME OF**
20 **\$150,001 THROUGH \$250,000; AND**

21 **8. 5.18% OF MARYLAND TAXABLE INCOME IN**
22 **EXCESS OF \$250,000.**

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

25 **(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
26 **2013, BUT BEFORE JANUARY 1, 2015:**

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

- 1 [(ii) 3%] 2. **2.9%** of Maryland taxable income of \$1,001
 2 through \$2,000;
- 3 [(iii) 4%] 3. **3.87%** of Maryland taxable income of \$2,001
 4 through \$3,000;
- 5 [(iv) 4.75%] 4. **4.59%** of Maryland taxable income of
 6 \$3,001 through \$150,000;
- 7 [(v) 5%] 5. **4.83%** of Maryland taxable income of \$150,001
 8 through \$175,000;
- 9 [(vi) 5.25%] 6. **5.08%** of Maryland taxable income of
 10 \$175,001 through \$225,000;
- 11 [(vii) 5.5%] 7. **5.32%** of Maryland taxable income of \$225,001
 12 through \$300,000; and
- 13 [(viii) 5.75%] 8. **5.56%** of Maryland taxable income in
 14 excess of \$300,000;

15 **(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
 16 **2014, BUT BEFORE JANUARY 1, 2016:**

- 17 1. **1.87% OF MARYLAND TAXABLE INCOME OF \$1**
 18 **THROUGH \$1,000;**
- 19 2. **2.8% OF MARYLAND TAXABLE INCOME OF \$1,001**
 20 **THROUGH \$2,000;**
- 21 3. **3.73% OF MARYLAND TAXABLE INCOME OF \$2,001**
 22 **THROUGH \$3,000;**
- 23 4. **4.43% OF MARYLAND TAXABLE INCOME OF \$3,001**
 24 **THROUGH \$150,000;**
- 25 5. **4.67% OF MARYLAND TAXABLE INCOME OF**
 26 **\$150,001 THROUGH \$175,000;**
- 27 6. **4.9% OF MARYLAND TAXABLE INCOME OF**
 28 **\$175,001 THROUGH \$225,000;**
- 29 7. **5.13% OF MARYLAND TAXABLE INCOME OF**
 30 **\$225,001 THROUGH \$300,000; AND**

1 8. **5.37% OF MARYLAND TAXABLE INCOME IN**
2 **EXCESS OF \$300,000; AND**

3 **(III) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
4 **2015:**

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 \$150,000;**

13 5. **4.5% OF MARYLAND TAXABLE INCOME OF**
14 **\$150,001 THROUGH \$175,000;**

15 6. **4.73% OF MARYLAND TAXABLE INCOME OF**
16 **\$175,001 THROUGH \$225,000;**

17 7. **4.95% OF MARYLAND TAXABLE INCOME OF**
18 **\$225,001 THROUGH \$300,000; AND**

19 8. **5.18% OF MARYLAND TAXABLE INCOME IN**
20 **EXCESS OF \$300,000.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2014.