

# **SB 748 Sen Corderman Testimony.pdf**

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Position: FAV

PAUL D. CORDERMAN  
*Legislative District 2*  
Frederick and Washington Counties

Budget and Taxation Committee

*Subcommittees*

Capital Budget

Education, Business and Administration



James Senate Office Building  
11 Bladen Street, Room 403  
Annapolis, Maryland 21401  
410-841-3903 · 301-858-3903  
800-492-7122 Ext. 3903  
Paul.Corderman@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

February 21, 2024

Senate Budget & Tax Committee  
Chair Guy Guzzone  
Vice Chair Jim Rosapepe  
3 West Miller Senate Office Building  
Annapolis, MD 21401

**Testimony in Support of Senate Bill SB 748 – Income Tax – Alteration of Brackets and Rates (Economic Prosperity Act of 2024)**

Chair Guzzone, Vice Chair Rosapepe, & Members of the Budget & Tax Committee,

Thank you for the opportunity to present SB 748. We are all aware of the crushing inflation that is plaguing our state and nation. We are seeing this reflected at the gas pump, in grocery stores, the housing market, and beyond. SB 748 would provide a multi-billion-dollar tax cut on the Marylanders that are experiencing the impact of inflation the most – the middle class – by adjusting our state income tax brackets.

Under current law, Marylanders making \$3,000-\$150,000 are taxed at rate of 4.75%. Under this bill, that bracket would change from a 4.75% rate to a rate between 4% and 4.5% depending on annual income. A similar pattern applies to higher income brackets. Additionally, it offers a tax break for some of the least affluent in our state – many of whom rely on assistance through a variety of state programs. Under SB 748, for single, dependent, or married filing separately taxpayers, the first \$15,000 of income is not subject to tax. For joint filers, surviving spouses, and heads of household, this number is approximately \$30,000.

These changes will lift some of the financial burden currently placed on everyday Marylanders who are trying to earn a living, provide for their families, and take part in the simple idea that is the American Dream. Thank you for your consideration and I respectfully ask for a favorable report on SB 748.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul D. Corderman".

Paul D. Corderman  
District 2 – Washington & Frederick Counties

# Surrounding States Tax Rates.pdf

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# State Income Tax Rates

**Florida** - no personal income tax

**Pennsylvania** - flat income tax rate of 3.07%

**Virginia** - all filing statuses

TAXABLE INCOME	TAX RATE
\$0-\$2,999	2% of your income
\$3,000-\$4,999	3% of your income amount over \$3,000 + \$60
\$5,000-\$16,999	5% of your income amount over \$5,000 + \$120
\$17,000	5.75% of your income amount over \$17,000 + \$720

Source: Forbes Advisor

**New Jersey** -

*Single or Married/Civil Union Partner Filing Separately*

TAXABLE INCOME	TAX RATE
\$0 - \$19,999	1.4% of your income
\$20,000-\$34,999	1.75% of the excess over \$20,000, minus \$70.00
\$35,000-\$39,999	3.5% of the excess over \$35,000, minus \$682.50
\$40,000-\$74,999	5.525% of the excess over \$40,000, minus \$1,492.50
\$75,000.00-\$499,999	6.37% of the excess over \$75,000, minus \$2,126.25
\$500,000-\$999,999	8.97% of the excess over \$500,000, minus \$15,126.25
\$1,000,000 and above	10.75% of the excess over \$1,000,000, minus \$32,926.25

Source: Forbes Advisor

***Married/Civil Union Filing Jointly, Qualified Widow(er) or Head of Household***

<b>TAXABLE INCOME</b>	<b>TAX RATE</b>
\$0 - \$19,999	1.4% of your income
\$20,000-\$49,999	1.75% of the excess over \$20,000, minus \$70.00
\$50,000-\$69,999	2.45% of the excess over \$50,000, minus \$420.00
\$70,000-\$79,999	3.5% of the excess over \$70,000, minus \$1,154.50
\$80,000-\$149,999	5.525% of the excess over \$80,000, minus \$2,775.00
\$150,000-\$499,999	6.37% of the excess over \$150,000, minus \$4,042.50
\$500,000-\$999,999	8.97% of the excess over \$500,000, minus \$17,042.50
\$1,000,000 and above	10.75% of the excess over \$1,000,000, minus \$34,842.50

Source: Forbes Advisor

**West Virginia** – (Justice signed a significant tax cut in 2023 that was retroactive to January 1, 2023)

***Individuals, individuals filing jointly, and heads of households:***

<b>If the WV Taxable Income is:</b>	<b>The tax is:</b>
Not over \$10,000	2.36% of taxable income
Over \$10,000 but not over \$25,000	\$236 plus 3.15% of the excess over \$10,000
Over \$25,000 but not over \$40,000	\$708.50 plus 3.54% of the excess over \$25,000
Over \$40,000 but not over \$60,000	\$1,239.50 plus 4.72% of the excess over \$40,000
Over \$60,000	\$2,183.50 plus 5.12% of the excess over \$60,000

Source: West Virginia Tax Division

**Married filing separately:**

<b>If the WV Taxable Income is:</b>	<b>The tax is:</b>
Not over \$5,000	2.36% of taxable income
Over \$5,000 but not over \$12,500	\$118 plus 3.15% of the excess over \$5,000
Over \$12,500 but not over \$20,000	\$354.25 plus 3.54% of the excess over \$12,500
Over \$20,000 but not over \$30,000	\$619.75 plus 4.72% of the excess over \$20,000
Over \$30,000	\$1,091.75 plus 5.12% of the excess over \$30,000

Source: West Virginia Tax Division

**Delaware** – all filing statuses

<b>Taxable Income</b>	<b>Tax Rate</b>
\$0-\$1,999	0%
\$2,000-\$4,999	2.20%
\$5,000-\$9,999	3.90%
\$10,000-\$19,999	4.80%
\$20,000-\$24,999	5.20%
\$25,000-\$59,999	5.55%
\$60,000 and above	6.60%

Source: Forbes Advisor