
By: Senators Pinsky and Sfikas

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Individual Income Tax - Rates**

3 FOR the purpose of altering the rates and rate brackets under the Maryland income tax
4 on individuals; providing for the application of this Act; and generally relating to
5 the alteration of rates and rate brackets under the Maryland income tax on
6 individuals.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 10-105(a) and (c)
10 Annotated Code of Maryland
11 (1988 Volume and 1995 Supplement)

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

14 **Article - Tax - General**

15 10-105.

16 (a) (1) [The] FOR SPOUSES FILING A JOINT RETURN OR FOR A SURVIVING
17 SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED UNDER § 2 OF THE INTERNAL
18 REVENUE CODE, THE State income tax rate [for an individual] is:

19 [(1)] (I) 2% of Maryland taxable income of \$1 through \$1,000;

20 [(2)] (II) 3% of Maryland taxable income of \$1,001 through \$2,000;

21 [(3)] (III) 4% of Maryland taxable income of \$2,001 through [\$3,000]
22 \$10,000;

23 (IV) 5% OF MARYLAND TAXABLE INCOME OF \$10,001 THROUGH
24 \$150,000;

25 (V) 6% OF MARYLAND TAXABLE INCOME OF \$150,001 THROUGH
26 \$275,000;

27 (VI) 6.5% OF MARYLAND TAXABLE INCOME OF \$275,001 THROUGH
28 \$400,000; and

2

1 [(4)] (VII) [5%] 7% of Maryland taxable income in excess of [\$3,000]
2 \$400,000.

3 (2) FOR AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN PARAGRAPH
4 (1) OF THIS SUBSECTION, THE STATE INCOME TAX RATE IS:

5 (I) 2% OF MARYLAND TAXABLE INCOME OF \$1 THROUGH \$1,000;

6 (II) 3% OF MARYLAND TAXABLE INCOME OF \$1,001 THROUGH
7 \$2,000;

8 (III) 4% OF MARYLAND TAXABLE INCOME OF \$2,001 THROUGH
9 \$5,000;

10 (IV) 5% OF MARYLAND TAXABLE INCOME OF \$5,001 THROUGH
11 \$100,000;

12 (V) 6% OF MARYLAND TAXABLE INCOME OF \$100,001 THROUGH
13 \$175,000;

14 (VI) 6.5% OF MARYLAND TAXABLE INCOME OF \$175,001 THROUGH
15 \$250,000; AND

16 (VII) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF \$250,000.

17 (c) For a husband and wife filing a joint income tax return, the rates specified in
18 subsection [(a)] (A)(1) of this section apply to the joint Maryland taxable income of the
19 husband and wife.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,
22 1996.