Unofficial Copy Q3 1999 Regular Session 9lr0894

By: Delegate La Vay

Introduced and read first time: February 12, 1999

Assigned to: Ways and Means

A BILL ENTITLED

4	4 % T	1 000	•
1	AN	ACT	concerning

2 County Income Tax

- 3 FOR the purpose of altering the calculation of the county income tax; altering the
- 4 calculation of a certain required distribution of income tax revenues to certain
- 5 special taxing districts and municipal corporations; providing for the application
- of this Act; and generally relating to the county income tax.
- 7 BY repealing and reenacting, with amendments,
- 8 Article Tax General
- 9 Section 2-607, 10-103(a), 10-106, 10-604, and 10-706(c)
- 10 Annotated Code of Maryland
- 11 (1997 Replacement Volume and 1998 Supplement)
- 12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 13 MARYLAND, That the Laws of Maryland read as follows:

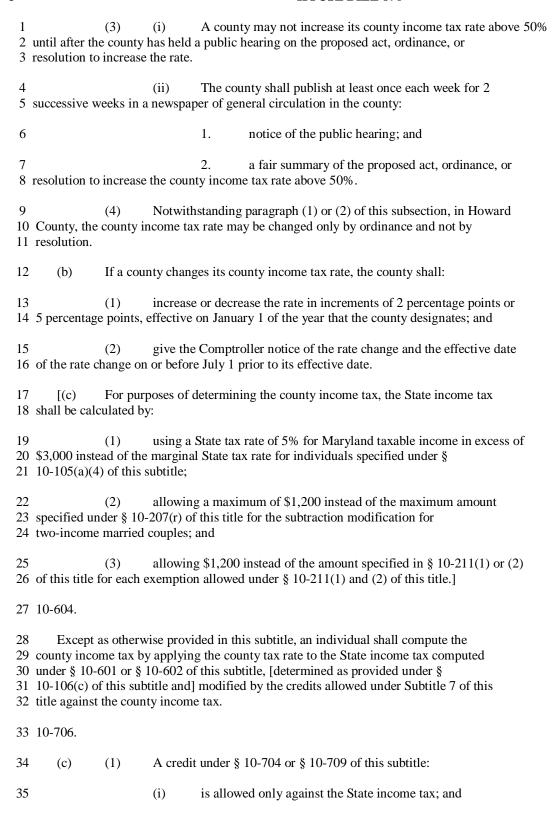
14 Article - Tax - General

15 2-607.

- 16 (a) After making the distributions required under §§ 2-604 through 2-606 of
- 17 this subtitle, from the remaining income tax revenue from individuals, the
- 18 Comptroller shall distribute to each special taxing district that received an income
- 19 tax revenue distribution in Fiscal Year 1977 and to each municipal corporation an
- 20 amount that, based on the certification of the Comptroller as to State income tax
- 21 liability and county income tax liability of the residents of the district or municipal
- 22 corporation, equals the greater of:
- 23 (1) [subject to subsection (b) of this section,] 8.5% OF THE STATE INCOME
- 24 TAX LIABILITY OF THOSE RESIDENTS:
- 25 (2) 17% of the county income tax liability of those residents; or
- 26 [(2)] (3) 0.37% of the Maryland taxable income of those residents[,
- 27 determined as provided under § 10-106(c) of this article].

1 2	[(b) If the county income tax rate for a county is less than 50%, the amount determined under subsection (a)(1) of this section shall be multiplied by a fraction:						
3		(1)	the num	erator of which is 50%; and			
4 5	county.]	(2)	the deno	ominator of which is the county income tax rate for the			
8 9	allow for a p	roportion	The Comptroller shall adjust the amount distributed under section to a municipal corporation or special taxing district to late part of refund and interest payments for a prior calendar ribution is made to the municipal corporation or district for that				
11	10-103.						
12 13	(a) Each county shall have a county income tax measured by the State income tax[, modified as provided under § 10-106(c) of this subtitle,] of:						
14 15	taxable year	(1)	each res	ident, other than a fiduciary, who on the last day of the			
16			(i)	is domiciled in the county; or			
17 18	county;		(ii)	maintains a principal residence or a place of abode in the			
19 20	each personal representative of an estate if the decedent was domiciled in the county on the date of the decedent's death;						
21		(3)	each res	ident fiduciary of:			
22			(i)	a trust that is principally administered in the county; or			
23 24	is not princi	pally adn	(ii) ninistered	a trust that is otherwise principally connected to the county and in the State; and			
	(4) except as provided in § 10-806(c) of this title, a nonresident who derives income from salary, wages, or other compensation for personal services for employment in the county.						
28	10-106.						
			but not n	unty shall set, by ordinance or resolution, a county income tax more than 60%, to be applied to the State income tax for ovided under subsection (d) of this section].			
32 33	by ordinanc	(2) e or resol		y income tax rate continues until the county changes the rate			

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1	(ii) operates to reduce the county income tax.
	(2) Subject to paragraph (3) of this subsection, the county income tax is based on the amount of State income tax after the State income tax is reduced by the sum of the credits allowed under §§ 10-704 and 10-709 of this subtitle.
	(3) (i) For purposes of determining the county income tax, the credit under $\S 10-704$ or $\S 10-709$ of this subtitle shall be calculated using the State income tax [as modified under $\S 10-106(c)$ of this title].
	(ii) If the credit allowed under § 10-704 of this subtitle for any taxable year exceeds the State income tax [as modified under § 10-106(c) of this title], the county income tax is zero.
	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1999, and shall be applicable to all taxable years beginning after December 31, 1998.