
By: **Delegates Ports, J. Kelly, Amedori, Baldwin, Bartlett, Boschert, Boutin, Brinkley, Cryor, Eckardt, Edwards, Elliott, Flanagan, Getty, Glassman, Greenip, Hutchins, Kach, Kittleman, Klima, La Vay, Leopold, McClenahan, McKee, Murphy, O'Donnell, Parrott, Redmer, Rzepkowski, Schisler, Shank, Snodgrass, Stocksdales, Stull, and Walkup**

Introduced and read first time: February 10, 2000
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Reduction**

3 FOR the purpose of altering a certain tax rate under the maximum county income tax
4 rate and State income tax on individuals for certain taxable years; altering the
5 amount that an individual may deduct for certain exemptions to determine
6 Maryland taxable income for certain taxable years; altering the maximum
7 county income tax rate and certain county income tax rates for certain taxable
8 years; altering the application of certain changes to certain provisions of law
9 related to the county income tax; providing for the application of this Act; and
10 generally relating to the Maryland income tax.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 10-105(a), 10-106(a)(1), and 10-211
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 1999 Supplement)

16 BY repealing and reenacting, with amendments,
17 Chapter 493 of the Acts of the General Assembly of 1999
18 Section 3 and 5

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

21 **Article - Tax - General**

22 10-105.

23 (a) The State income tax rate for an individual is:

24 (1) 2% of Maryland taxable income of \$1 through \$1,000;

- 1 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;
- 2 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and
- 3 (4) for Maryland taxable income in excess of \$3,000:
- 4 (i) 4.875% for a taxable year beginning after December 31, 1997
5 but before January 1, 1999;
- 6 (ii) 4.85% for a taxable year beginning after December 31, 1998 but
7 before January 1, 2000;
- 8 (iii) [4.85%] 4.8% for a taxable year beginning after December 31,
9 1999 but before January 1, 2001; AND
- 10 (iv) [4.8%]4.75% for a taxable year beginning after December 31,
11 2000 [but before January 1, 2002; and
- 12 (v) 4.75% for a taxable year beginning after December 31, 2001].

13 10-106.

14 (a) (1) Each county shall set, by ordinance or resolution, a county income tax
15 equal to at least 1% but not more than the percentage of an individual's Maryland
16 taxable income as follows:

- 17 (i) 3.05% for a taxable year beginning after December 31, 1998 but
18 before January 1, [2001] 2000;
- 19 (ii) 3.10% for a taxable year beginning after December 31, [2000]
20 1999 but before January 1, [2002] 2001; and
- 21 (iii) 3.20% for a taxable year beginning after December 31, [2001]
22 2000.

23 10-211.

24 Whether or not a federal return is filed, to determine Maryland taxable income,
25 an individual other than a fiduciary may deduct as an exemption:

- 26 (1) for each exemption that the individual may deduct in the taxable
27 year to determine federal taxable income under § 151 of the Internal Revenue Code:
- 28 (i) \$1,750 for a taxable year beginning after December 31, 1997 but
29 before January 1, 1999;
- 30 (ii) \$1,850 for a taxable year beginning after December 31, 1998 but
31 before January 1, 2000;
- 32 (iii) [\$1,850] \$2,100 for a taxable year beginning after December 31,
33 1999 but before January 1, 2001; AND

1 (iv) [\$2,100] \$2,400 for a taxable year beginning after December 31,
2 2000 [but before January 1, 2002; and

3 (v) \$2,400 for a taxable year beginning after December 31, 2001];

4 (2) for each dependent, as defined in § 152 of the Internal Revenue Code,
5 who is at least 65 years old on the last day of the taxable year, an additional:

6 (i) \$1,750 for a taxable year beginning after December 31, 1997 but
7 before January 1, 1999;

8 (ii) \$1,850 for a taxable year beginning after December 31, 1998 but
9 before January 1, 2000;

10 (iii) [\$1,850] \$2,100 for a taxable year beginning after December 31,
11 1999 but before January 1, 2001; AND

12 (iv) [\$2,100] \$2,400 for a taxable year beginning after December 31,
13 2000 [but before January 1, 2002; and

14 (v) \$2,400 for a taxable year beginning after December 31, 2001];

15 (3) an additional \$1,000 if the individual, on the last day of the taxable
16 year, is at least 65 years old; and

17 (4) an additional \$1,000 if the individual, on the last day of the taxable
18 year, is a blind individual, as described in § 10-208(c) of this subtitle.

19

Chapter 493 of the Acts of 1999

20 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
21 other provision of law and except as provided in this section, the county income tax
22 rate in each county, including Baltimore City, shall be determined by the table set
23 forth in this section. In lieu of the use of the table contained in this section for
24 determining the county income tax rate, the county tax rate in each county for all
25 calendar years after [1999] 2000 may be established by the county in accordance with
26 § 10-106 of the Tax - General Article.

27	1999	[2000]	[2001] 2000	[2002] 2001
28 Allegany	2.83%	[2.82%]	2.87%	2.93%
29 Anne Arundel	2.51%	[2.50%]	2.53%	2.56%
30 Baltimore	2.77%	[2.76%]	2.79%	2.83%
31 Baltimore City	2.50%	[2.48%]	2.51%	2.54%
32 Calvert	2.52%	[2.52%]	2.55%	2.60%
33 Caroline	3.04%	[3.02%]	[3.08%] 2.83%	[3.16%] 2.90%
34 Carroll	2.77%	[2.77%]	2.80%	2.85%
35 Cecil	2.52%	[2.51%]	2.55%	2.60%

1 Charles	2.52%	[2.51%]	[2.55%] 2.85%	[2.59%] 2.90%
2 Dorchester	2.52%	[2.51%]	2.56%	2.62%
3 Frederick	2.52%	[2.51%]	2.55%	2.59%
4 Garrett	2.54%	[2.53%]	2.58%	2.65%
5 Harford	2.52%	[2.51%]	2.55%	2.59%
6 Howard	2.41%	[2.41%]	2.43%	2.45%
7 Kent	2.52%	[2.51%]	2.54%	2.58%
8 Montgomery	3.01%	[3.00%]	[3.02%] 2.92%	[3.05%] 2.95%
9 Prince George's	3.01%	[3.00%]	3.04%	3.10%
10 Queen Anne's	2.77%	[2.76%]	2.80%	2.85%
11 St. Mary's	2.92%	[2.92%]	2.97%	3.03%
12 Somerset	3.03%	[3.01%]	3.08%	3.15%
13 Talbot	1.76%	[1.75%]	1.77%	1.79%
14 Washington	2.52%	[2.51%]	2.55%	2.60%
15 Wicomico	3.02%	[3.01%]	3.05%	3.10%
16 Worcester	1.01%	[1.00%]	[1.02%] 1.28%	[1.04%] 1.30%

17 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
 18 take effect [January] JULY 1, 2001 and shall be applicable to all taxable years
 19 beginning after December 31, [2001] 2000.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 21 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
 22 1999.