
By: **Delegates Ports and Redmer**

Introduced and read first time: February 11, 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 State income tax on
4 individuals; altering the amount that an individual may deduct for certain
5 exemptions to determine Maryland taxable income; altering the maximum
6 county income tax rate and certain county income tax rates; altering the
7 application of certain changes to certain provisions of law related to the county
8 income tax; providing for the application of this Act; and generally relating to
9 the Maryland income tax.

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

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

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

20 **Article - Tax - General**

21 10-105.

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

- 23 (1) 2% of Maryland taxable income of \$1 through \$1,000;
24 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;
25 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and

- 1 (4) for Maryland taxable income in excess of \$3,000:
- 2 (i) 4.875% for a taxable year beginning after December 31, 1997
3 but before January 1, 1999;
- 4 (ii) 4.85% for a taxable year beginning after December 31, 1998 but
5 before January 1, 2000;
- 6 (iii) [4.85%]4.8% for a taxable year beginning after December 31,
7 1999 but before January 1, 2001;
- 8 (iv) [4.8%]4.75% for a taxable year beginning after December 31,
9 2000 but before January 1, 2002; [and]
- 10 (v) [4.75%]4.725% for a taxable year beginning after December 31,
11 2001 BUT BEFORE JANUARY 1, 2003;
- 12 (VI) 4.7% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
13 2002 BUT BEFORE JANUARY 1, 2004;
- 14 (VII) 4.675% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
15 2003 BUT BEFORE JANUARY 1, 2005;
- 16 (VIII) 4.65% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
17 2004 BUT BEFORE JANUARY 1, 2006; AND
- 18 (IX) 4.625% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
19 2005.
- 20 10-106.
- 21 (a) (1) Each county shall set, by ordinance or resolution, a county income tax
22 equal to at least 1% but not more than the percentage of an individual's Maryland
23 taxable income as follows:
- 24 (i) 3.05% for a taxable year beginning after December 31, 1998 but
25 before January 1, [2001] 2000;
- 26 (ii) 3.10% for a taxable year beginning after December 31, [2000]
27 1999 but before January 1, [2002] 2001; [and]
- 28 (iii) 3.20% for a taxable year beginning after December 31, [2001]
29 2000 BUT BEFORE JANUARY 1, 2002;
- 30 (IV) 3.35% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
31 2001 BUT BEFORE JANUARY 1, 2003;
- 32 (V) 3.55% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
33 2002 BUT BEFORE JANUARY 1, 2004;

1 (VI) 3.70% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
2 2003 BUT BEFORE JANUARY 1, 2005;

3 (VII) 3.85% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
4 2004 BUT BEFORE JANUARY 1, 2006; AND

5 (VIII) 4.0% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
6 2005.

7 10-211.

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

10 (1) for each exemption that the individual may deduct in the taxable
11 year to determine federal taxable income under § 151 of the Internal Revenue Code:

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

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

16 (iii) [\$1,850] \$2,100 for a taxable year beginning after December 31,
17 1999 but before January 1, 2001;

18 (iv) [\$2,100] \$2,400 for a taxable year beginning after December 31,
19 2000 but before January 1, 2002; [and]

20 (v) [\$2,400] \$2,500 for a taxable year beginning after December 31,
21 2001 BUT BEFORE JANUARY 1, 2003;

22 (VI) \$2,650 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
23 2002 BUT BEFORE JANUARY 1, 2004;

24 (VII) \$2,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
25 2003 BUT BEFORE JANUARY 1, 2005;

26 (VIII) \$2,900 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
27 2004 BUT BEFORE JANUARY 1, 2006; AND

28 (IX) \$3,050 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
29 2005;

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

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

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

3 (iii) [\$1,850] \$2,100 for a taxable year beginning after December 31,
4 1999 but before January 1, 2001;

5 (iv) [\$2,100] \$2,400 for a taxable year beginning after December 31,
6 2000 but before January 1, 2002; [and]

7 (v) [\$2,400] \$2,500 for a taxable year beginning after December 31,
8 2001 BUT BEFORE JANUARY 1, 2003;

9 (VI) \$2,650 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
10 2002 BUT BEFORE JANUARY 1, 2004;

11 (VII) \$2,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
12 2003 BUT BEFORE JANUARY 1, 2005;

13 (VIII) \$2,900 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
14 2004 BUT BEFORE JANUARY 1, 2006; AND

15 (IX) \$3,050 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
16 2005;

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

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

21 **Chapter 493 of the Acts of 1999**

22 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
23 other provision of law and except as provided in this section, the county income tax
24 rate in each county, including Baltimore City, shall be determined by the table set
25 forth in this section. In lieu of the use of the table contained in this section for
26 determining the county income tax rate, the county tax rate in each county for all
27 calendar years after [1999] 2000 may be established by the county in accordance with
28 § 10-106 of the Tax - General Article.

29	1999	[2000]	[2001] 2000	[2002] 2001
30 Allegany	2.83%	[2.82%]	2.87%	2.93%
31 Anne Arundel	2.51%	[2.50%]	2.53%	2.56%
32 Baltimore	2.77%	[2.76%]	2.79%	2.83%

1	Baltimore City	2.50%	[2.48%]		2.51%	2.54%
2	Calvert	2.52%	[2.52%]		2.55%	2.60%
3	Caroline	3.04%	[3.02%]		[3.08%] 2.83%	[3.16%] 2.90%
4	Carroll	2.77%	[2.77%]		2.80%	2.85%
5	Cecil	2.52%	[2.51%]	[2.51%]		2.55% 2.60%
6	Charles	2.52%	[2.51%]		[2.55%] 2.85%	[2.59%] 2.90%
7	Dorchester	2.52%	[2.51%]		2.56%	2.62%
8	Frederick	2.52%	[2.51%]		2.55%	2.59%
9	Garrett	2.54%	[2.53%]		2.58%	2.65%
10	Harford	2.52%	[2.51%]		2.55%	2.59%
11	Howard	2.41%	[2.41%]		2.43%	2.45%
12	Kent	2.52%	[2.51%]		2.54%	2.58%
13	Montgomery	3.01%	[3.00%]		[3.02%] 2.92%	[3.05%] 2.95%
14	Prince George's	3.01%	[3.00%]		3.04%	3.10%
15	Queen Anne's	2.77%	[2.76%]		2.80%	2.85%

1 St. Mary's	2.92%	[2.92%]	2.97%	3.03%
2 Somerset	3.03%	[3.01%]	3.08%	3.15%
3 Talbot	1.76%	[1.75%]	1.77%	1.79%
4 Washington	2.52%	[2.51%]	2.55%	2.60%
5 Wicomico	3.02%	[3.01%]	3.05%	3.10%
6 Worcester	1.01%	[1.00%]	[1.02%] 1.28%	[1.04%] 1.30%

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

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 11 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
 12 1999.