

SENATE BILL 551

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Q3

2000 Regular Session  
0lr2634  
CF 0lr2664

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By: **Senator Hoffman**  
Introduced and read first time: February 4, 2000  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **County Income Tax Disparity Grants**

3 FOR the purpose of altering the calculation of certain State grants to certain counties  
4 and Baltimore City based on per capita yield of county income taxes; altering  
5 certain requirements for eligibility for the grants; providing for the application  
6 of this Act; and generally relating to certain State grants to certain counties and  
7 Baltimore City based on per capita yield of county income taxes.

8 BY repealing and reenacting, with amendments,  
9 Article 24 - Political Subdivisions - Miscellaneous Provisions  
10 Section 9-1101  
11 Annotated Code of Maryland  
12 (1998 Replacement Volume and 1999 Supplement)

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

15 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

16 9-1101.

17 (a) (1) For each fiscal year, the Comptroller shall distribute to a county the  
18 amount determined for each county under this section.

19 (2) The amount a county shall receive under this section in any fiscal  
20 year shall be based on the county income tax collected from individuals for the  
21 taxable year that ended in the second prior fiscal year, from returns filed through  
22 August 15 immediately preceding the applicable fiscal year, as determined by the  
23 Comptroller.

24 (b) (1) For each fiscal year, the Comptroller shall determine as rounded to  
25 the nearest cent:

26 (i) The per capita yield of the county income tax for each county,  
27 based on:

1                                   1.       Unless a county income tax rate of other than [50%] 2.54%  
2 was in effect, the receipts described in subsection (a) (2) of this section;

3                                   2.       The population of the county as last projected by the  
4 Department of Health and Mental Hygiene for July 1 of the applicable taxable year or  
5 the latest decennial census for the applicable taxable year; and

6                                   3.       If the county income tax rate is other than [50%] 2.54% in  
7 the applicable taxable year, the receipts described in subsection (a)(2) of this section  
8 that would have been received if a county income tax rate of [50%] 2.54% had been in  
9 effect; and

10                               (ii)     The per capita statewide yield of the county income tax, based  
11 on:

12                                   1.       The total receipts for county income tax described in  
13 subsection (a)(2) of this section for counties with an income tax rate of [50%] 2.54% in  
14 effect;

15                                   2.       The State population as last projected by the Department  
16 of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest  
17 decennial census for the applicable taxable year; and

18                                   3.       For counties with an income tax rate of other than [50%]  
19 2.54% in effect, the total receipts for county income tax described in subsection (a)(2) of  
20 this section that would have been received if a county income tax rate of [50%] 2.54%  
21 had been in effect.

22                               (2)     If the per capita yield of the county income tax for a county  
23 determined under paragraph (1)(i) of this subsection is less than 75% of the per capita  
24 statewide yield of the county income tax determined under paragraph (1)(ii) of this  
25 subsection, the Comptroller shall determine the amount that would increase the  
26 county per capita yield to equal 75% of the statewide per capita yield, as rounded to  
27 the nearest dollar.

28                               (3)     A county may not receive a distribution under this subsection if the  
29 county tax rate in that county was less than [50%] 2.54%:

30                                   (i)     For the taxable year that ended in the second prior fiscal year;  
31 or

32                                   (ii)    For any subsequent taxable year through the taxable year that  
33 ends in the current fiscal year.

34                               (c)     The Comptroller shall make payments of the additional amounts provided  
35 under this section quarterly during the fiscal year for which the payment is made.

36       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 October 1, 2000 and shall be applicable to grants for fiscal years beginning on or after  
38 July 1, 2001.

