

SENATE BILL 551

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Q3

2000 Regular Session
0lr2634
CF 0lr2664

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 16, 2000

CHAPTER _____

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

1 August 15 immediately preceding the applicable fiscal year, as determined by the
2 Comptroller.

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

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

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

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

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

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

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

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

24 3. For counties with an income tax rate of other than [50%]
25 2.54% in effect, the total receipts for county income tax described in subsection (a)(2) of
26 this section that would have been received if a county income tax rate of [50%] 2.54%
27 had been in effect.

28 (2) If the per capita yield of the county income tax for a county
29 determined under paragraph (1)(i) of this subsection is less than 75% of the per capita
30 statewide yield of the county income tax determined under paragraph (1)(ii) of this
31 subsection, the Comptroller shall determine the amount that would increase the
32 county per capita yield to equal 75% of the statewide per capita yield, as rounded to
33 the nearest dollar.

34 (3) A county may not receive a distribution under this subsection if the
35 county tax rate in that county was less than [50%] ~~2.54%~~ 2.4%:

36 (i) For the taxable year that ended in the second prior fiscal year;
37 or

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

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

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