
By: **Senators Pipkin, Greenip, Hafer, Haines, Harris, Hooper, Jacobs,
Kittleman, and Mooney**

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Rate Reduction for Individuals**

3 FOR the purpose of altering a certain tax rate under the Maryland income tax on
4 individuals; providing for the application of this Act; and generally relating to
5 individual income tax rates.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 10-105(a)
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2005 Supplement)

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

13 **Article - Tax - General**

14 10-105.

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

- 16 (1) 2% of Maryland taxable income of \$1 through \$1,000;
17 (2) 3% of Maryland taxable income of \$1,001 through \$2,000;
18 (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and
19 (4) for Maryland taxable income in excess of \$3,000:

20 (i) [4.875%] 4.75% for a taxable year beginning after December 31,
21 [1997] 2005 but before January 1, [1999] 2007;

22 (ii) [4.85%] 4.6% for a taxable year beginning after December 31,
23 [1998] 2006 but before January 1, [2000] 2008;

1 (iii) [4.85%] 4.4% for a taxable year beginning after December 31,
2 [1999] 2007 but before January 1, [2001;] 2009; AND

3 (iv) [4.8%] 4.275% for a taxable year beginning after December 31,
4 [2000 but before January 1, 2002; and

5 (v) 4.75% for a taxable year beginning after December 31, 2001]
6 2008.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,
9 2005.