

Department of Legislative Services
Maryland General Assembly
2007 Special Session

FISCAL AND POLICY NOTE

Senate Bill 25
Budget and Taxation

(Senator Kittleman)

Income Tax - Voter Approval

This constitutional amendment requires that a majority of voters in the State approve any State income tax rate increase.

Fiscal Summary

State Effect: If adopted, potential significant foregone general fund and special fund revenues. This impact would vary by year, and the result cannot be reliably estimated.

Local Effect: If approved by the General Assembly, this constitutional amendment will be submitted to the voters at the 2008 general election. It should not result in additional costs for the local election boards.

Small Business Effect: None.

Analysis

Current Law: The Declaration of Rights of the Maryland Constitution states that no aid, charge, tax, burthen, or fees ought to be rated or levied, under any pretense, without the consent of the Legislature.

Background: The National Conference of Legislatures reports, as of September 2007, that three states have voter approval requirements for tax increases (Colorado – all tax increases; Missouri and Washington – tax increases over a certain amount).

State Fiscal Effect: The Maryland Constitution requires that proposed amendments to the constitution be publicized either: (1) in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding the general election; or (2) by order of the Governor in a manner provided by law. State law requires local boards of elections to publicize proposed amendments to the constitution either in newspapers or on specimen ballots; local boards of elections are responsible for the costs associated with these requirements. It is anticipated that the budgets of local election boards will contain funding for notifying qualified voters about proposed constitutional amendments for the 2008 general election in newspapers or on specimen ballots.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - November 2, 2007
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