

HOUSE BILL 1142

Q3

4lr1493

By: **Delegates Clagett, Beitzel, Bohanan, DeBoy, Eckardt, Guzzone, Haddaway–Riccio, Olszewski, B. Robinson, Rudolph, Schulz, Smigiel, Sophocleus, Stocksdale, Wood, and Zucker**

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Corporate Income Tax – Rate Reduction**

3 FOR the purpose of altering the State income tax rate on the Maryland taxable income
4 of certain corporations; and generally relating to the Maryland corporate income
5 tax.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 10–105(b)
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2013 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 (b) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
16 **SUBSECTION, THE** State income tax rate for a corporation is 8.25% of Maryland
17 taxable income.

18 (2) **FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31,**
19 **2013, BUT BEFORE JANUARY 1, 2019, THE STATE INCOME TAX RATE IS 6.25% OF**
20 **MARYLAND TAXABLE INCOME FOR A CORPORATION THAT INCORPORATES IN OR**
21 **RELOCATES TO THE STATE ON OR AFTER JANUARY 1, 2014.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2014.