

# SENATE BILL 389

Q3

5lr0852  
CF HB 240

---

By: **Senators Montgomery, Guzzone, Lee, Pinsky, and Ramirez**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **State Individual Income Tax – Rate Changes**

3 FOR the purpose of altering the State income tax rates for certain income of individuals;  
4 requiring the Comptroller to waive certain interest and penalties for a certain  
5 taxable year to a certain extent; providing for the application of this Act; and  
6 generally relating to altering the income tax rates for certain income of individuals.

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – General  
9 Section 10–105(a)  
10 Annotated Code of Maryland  
11 (2010 Replacement Volume and 2014 Supplement)

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

14 **Article – Tax – General**

15 10–105.

16 (a) (1) For an individual other than an individual described in paragraph (2)  
17 of this subsection, the State income tax rate is:

18 (i) 2% of Maryland taxable income of \$1 through \$1,000;

19 (ii) 3% of Maryland taxable income of \$1,001 through \$2,000;

20 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (iv) **4.6% OF MARYLAND TAXABLE INCOME OF \$3,001 THROUGH**  
2 **\$25,000;**
- 3 (v) 4.75% of Maryland taxable income of [\$3,001] **\$25,001** through  
4 \$100,000;
- 5 [(v)] (vi) 5% of Maryland taxable income of \$100,001 through  
6 \$125,000;
- 7 [(vi)] (vii) 5.25% of Maryland taxable income of \$125,001 through  
8 \$150,000;
- 9 [(vii)] (viii) 5.5% of Maryland taxable income of \$150,001 through  
10 \$250,000; [and]
- 11 [(viii)] (ix) 5.75% of Maryland taxable income [in excess of \$250,000]  
12 **OF \$250,001 THROUGH \$500,000;**
- 13 (x) **6% OF MARYLAND TAXABLE INCOME OF \$500,001**  
14 **THROUGH \$1,000,000; AND**
- 15 (xi) **6.25% OF MARYLAND TAXABLE INCOME IN EXCESS OF**  
16 **\$1,000,000.**
- 17 (2) For spouses filing a joint return or for a surviving spouse or head of  
18 household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:
- 19 (i) 2% of Maryland taxable income of \$1 through \$1,000;
- 20 (ii) 3% of Maryland taxable income of \$1,001 through \$2,000;
- 21 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;
- 22 (iv) **4.6% OF MARYLAND TAXABLE INCOME OF \$3,001 THROUGH**  
23 **\$50,000;**
- 24 (v) 4.75% of Maryland taxable income of [\$3,001] **\$50,001** through  
25 \$150,000;
- 26 [(v)] (vi) 5% of Maryland taxable income of \$150,001 through  
27 \$175,000;
- 28 [(vi)] (vii) 5.25% of Maryland taxable income of \$175,001 through  
29 \$225,000;

1                    [(vii)] (VIII) 5.5% of Maryland taxable income of \$225,001 through  
2 \$300,000; [and]

3                    [(viii)] (IX) 5.75% of Maryland taxable income [in excess of \$300,000]  
4 **OF \$300,001 THROUGH \$500,000;**

5                    (X) 6% OF MARYLAND TAXABLE INCOME OF \$500,001  
6 **THROUGH \$1,000,000; AND**

7                    (XI) 6.25% OF MARYLAND TAXABLE INCOME IN EXCESS OF  
8 **\$1,000,000.**

9                    SECTION 2. AND BE IT FURTHER ENACTED, That the Comptroller shall waive  
10 any interest or penalty imposed on an individual relating to payment of estimated income  
11 tax for calendar year 2015 to the extent that the Comptroller determines that the interest  
12 or penalty would not have been incurred but for an increase in the income tax rates for  
13 calendar year 2015 under Section 1 of this Act.

14                    SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
15 1, 2015, and shall be applicable to all taxable years beginning after December 31, 2014.