

HOUSE BILL 1038

Q3

7lr1650

By: **Delegates Buckel, Arentz, Beitzel, Cluster, Folden, Hornberger, S. Howard, Krebs, Malone, McComas, McKay, Reilly, Rose, Shoemaker, Szeliga, Vogt, West, B. Wilson, and Wivell**

Introduced and read first time: February 8, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Rates**

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

6 BY repealing and reenacting, with amendments,

7 Article – Tax – General

8 Section 10–105(a)

9 Annotated Code of Maryland

10 (2016 Replacement Volume)

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

13 **Article – Tax – General**

14 10–105.

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

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

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

19 (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) ~~[4.75%]~~ **4.5%** of Maryland taxable income of \$3,001 through
2 \$100,000;
- 3 (v) 5% of Maryland taxable income of \$100,001 through \$125,000;
- 4 (vi) 5.25% of Maryland taxable income of \$125,001 through \$150,000;
- 5 (vii) 5.5% of Maryland taxable income of \$150,001 through \$250,000;
- 6 and
- 7 (viii) 5.75% of Maryland taxable income in excess of \$250,000.

8 (2) For spouses filing a joint return or for a surviving spouse or head of
9 household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:

- 10 (i) 2% of Maryland taxable income of \$1 through \$1,000;
- 11 (ii) 3% of Maryland taxable income of \$1,001 through \$2,000;
- 12 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;
- 13 (iv) ~~[4.75%]~~ **4.5%** of Maryland taxable income of \$3,001 through
14 \$150,000;
- 15 (v) ~~[5%]~~ **4.75%** of Maryland taxable income of \$150,001 through
16 \$175,000;
- 17 (vi) 5.25% of Maryland taxable income of \$175,001 through \$225,000;
- 18 (vii) 5.5% of Maryland taxable income of \$225,001 through \$300,000;
- 19 and
- 20 (viii) 5.75% of Maryland taxable income in excess of \$300,000.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.