

SENATE BILL 567

Q3

8lr2984

By: **Senator Serafini**

Introduced and read first time: January 31, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Rates – Reductions**

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

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 and 2017 Supplement)

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;
- 20 (iv) **[4.75%] 4.65%** of Maryland taxable income of \$3,001 through
21 \$100,000;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (v) ~~[5%]~~ **4.9%** of Maryland taxable income of \$100,001 through
 2 \$125,000;

3 (vi) ~~[5.25%]~~ **5.15%** of Maryland taxable income of \$125,001 through
 4 \$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%]~~ **4.65%** of Maryland taxable income of \$3,001 through
 14 \$150,000;

15 (v) ~~[5%]~~ **4.9%** of Maryland taxable income of \$150,001 through
 16 \$175,000;

17 (vi) ~~[5.25%]~~ **5.15%** of Maryland taxable income of \$175,001 through
 18 \$225,000;

19 (vii) 5.5% of Maryland taxable income of \$225,001 through \$300,000;
 20 and

21 (viii) 5.75% of Maryland taxable income in excess of \$300,000.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 23 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.