

# HOUSE BILL 1190

Q3

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By: **Delegate Smith**

Introduced and read first time: February 7, 2020

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Individual Income Tax – Rates and Rate Brackets – Alterations**

3 FOR the purpose of altering the rates and rate brackets under the State income tax on  
4 certain income of individuals; providing for a delayed effective date; providing for the  
5 application of this Act; 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 and 2019 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%] **3%** of Maryland taxable income of \$1 through [\$1,000]  
18 **\$3,000;**

19 (ii) [3%] **3.5%** of Maryland taxable income of [\$1,001] **\$3,001**  
20 through [\$2,000] **\$6,000;**

21 (iii) 4% of Maryland taxable income of [\$2,001] **\$6,001** through  
22 **[\$3,000] \$12,000;**

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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] **\$12,001**  
2 through [\$100,000] **\$24,000**;

3 (v) 5% of Maryland taxable income of [\$100,001] **\$24,001** through  
4 **[\$125,000] \$48,000**;

5 (vi) [5.25%] **5.5%** of Maryland taxable income of [\$125,001] **\$48,001**  
6 through [\$150,000] **\$96,000**;

7 (vii) [5.5%] **5.75%** of Maryland taxable income of [\$150,001] **\$96,001**  
8 through [\$250,000] **\$192,000**; [and]

9 (viii) [5.75%] **6.5%** of Maryland taxable income [in excess of \$250,000]  
10 **OF \$192,001 THROUGH \$1,000,000; AND**

11 **(IX) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF**  
12 **\$1,000,000.**

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

15 (i) [2%] **3%** of Maryland taxable income of \$1 through [\$1,000]  
16 **\$4,500**;

17 (ii) [3%] **3.5%** of Maryland taxable income of [\$1,001] **\$4,501**  
18 through [\$2,000] **\$9,000**;

19 (iii) 4% of Maryland taxable income of [\$2,001] **\$9,001** through  
20 **[\$3,000] \$18,000**;

21 (iv) [4.75%] **4.5%** of Maryland taxable income of [\$3,001] **\$18,001**  
22 through [\$150,000] **\$36,000**;

23 (v) 5% of Maryland taxable income of [\$150,001] **\$36,001** through  
24 **[\$175,000] \$72,000**;

25 (vi) [5.25%] **5.5%** of Maryland taxable income of [\$175,001] **\$72,001**  
26 through [\$225,000] **\$144,000**;

27 (vii) [5.5%] **6%** of Maryland taxable income of [\$225,001] **\$144,001**  
28 through [\$300,000] **\$288,000**; [and]

29 (viii) [5.75%] **6.5%** of Maryland taxable income [in excess of \$300,000]  
30 **OF \$288,001 THROUGH \$1,000,000; AND**

1                                   **(IX) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF**  
2 **\$1,000,000.**

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.