

HOUSE BILL 275

Q3

1lr1062

HB 1190/20 – W&M

(PRE-FILED)

By: **Delegate Smith**

Requested: October 21, 2020

Introduced and read first time: January 13, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Individual Income Tax – Brackets and Rates – Alteration**

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 2020 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 ~~[\$3,000]~~ **\$12,000;**

2 (iv) ~~[4.75%]~~ **4.5%** of Maryland taxable income of ~~[\$3,001]~~ **\$12,001**
3 through ~~[\$100,000]~~ **\$24,000;**

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

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

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

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

12 **(IX) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
13 **\$1,000,000.**

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

16 (i) ~~[2%]~~ **3%** of Maryland taxable income of \$1 through ~~[\$1,000]~~
17 **\$4,500;**

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

20 (iii) 4% of Maryland taxable income of ~~[\$2,001]~~ **\$9,001** through
21 ~~[\$3,000]~~ **\$18,000;**

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

24 (v) 5% of Maryland taxable income of ~~[\$150,001]~~ **\$36,001** through
25 ~~[\$175,000]~~ **\$72,000;**

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

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

30 (viii) ~~[5.75%]~~ **6.5%** of Maryland taxable income [in excess of \$300,000]

1 OF \$288,001 THROUGH \$1,000,000; AND

2 (IX) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF
3 \$1,000,000.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.