

SENATE BILL 611

Q3

11r2090

By: **Senator Pinsky**

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

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; requiring the Comptroller to waive certain interest
5 and penalties for a certain calendar year to a certain extent; providing for the
6 application of this Act; and generally relating to the State individual income tax.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 10–105(a)
10 Annotated Code of Maryland
11 (2016 Replacement Volume and 2020 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;
- 21 (iv) 4.75% of Maryland taxable income of \$3,001 through \$100,000;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (v) 5% of Maryland taxable income of \$100,001 through \$125,000;

2 (vi) 5.25% of Maryland taxable income of \$125,001 through \$150,000;

3 (vii) 5.5% of Maryland taxable income of \$150,001 through \$250,000;

4 [and]

5 (viii) 5.75% of Maryland taxable income [in excess] of [\$250,000]
6 **\$250,001 THROUGH \$500,000;**

7 **(IX) 6% OF MARYLAND TAXABLE INCOME OF \$500,001**
8 **THROUGH \$750,000;**

9 **(X) 6.5% OF MARYLAND TAXABLE INCOME OF \$750,001**
10 **THROUGH \$1,000,000;**

11 **(XI) 7% OF MARYLAND TAXABLE INCOME OF \$1,000,001**
12 **THROUGH \$1,500,000; AND**

13 **(XII) 7.5% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
14 **\$1,500,000.**

15 (2) For spouses filing a joint return or for a surviving spouse or head of
16 household as defined in § 2 of the Internal Revenue Code, 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% of Maryland taxable income of \$3,001 through \$150,000;

21 (v) 5% of Maryland taxable income of \$150,001 through \$175,000;

22 (vi) 5.25% of Maryland taxable income of \$175,001 through \$225,000;

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

24 [and]

25 (viii) 5.75% of Maryland taxable income [in excess] of [\$300,000]
26 **\$300,001 THROUGH \$600,000;**

27 **(IX) 6% OF MARYLAND TAXABLE INCOME OF \$600,001**
28 **THROUGH \$850,000;**

1 **(X) 6.5% OF MARYLAND TAXABLE INCOME OF \$850,001**
2 **THROUGH \$1,150,000;**

3 **(XI) 7% OF MARYLAND TAXABLE INCOME OF \$1,150,001**
4 **THROUGH \$1,600,000; AND**

5 **(XII) 7.5% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
6 **\$1,600,000.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Comptroller shall waive
8 any interest or penalty imposed on an individual relating to payment of estimated income
9 tax for calendar year 2021 to the extent that the Comptroller determines that the interest
10 or penalty would not have been incurred but for an increase in the income tax rates for
11 calendar year 2021 under Section 1 of this Act.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.