



JESSICA FITZWATER
COUNTY EXECUTIVE
FREDERICK COUNTY, MARYLAND

HB 142 – More Local Tax Relief for Working Families Act of 2023

DATE: February 2, 2023
COMMITTEE: House Ways and Means Committee
POSITION: Support
FROM: Frederick County Executive Jessica Fitzwater

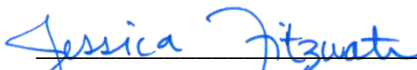
As the County Executive of Frederick County, I urge the committee to give **HB 142 – More Local Tax Relief for Working Families Act of 2023** a favorable report.

This bill builds on policy the Maryland General Assembly passed in 2021, the Local Tax Relief for Working Families Act, which permitted counties to set varying income tax rates for specific populations using a bracket basis. HB 142, the More Local Tax Relief for Working Families Act of 2023, allows counties to set an income tax rate greater than the current 3.2% cap for individuals making more than two times the maximum income tax bracket if the county concurrently reduces the income tax rate for the lowest income bracket. This provides counties with more flexibility than is currently provided in State law to target tax relief for the communities facing the greatest challenges while ensuring counties can meet budgetary needs.

Frederick County became the first jurisdiction to use the authority granted in the 2021 legislation to lower taxes from 2.96% to 2.75% for our lowest earning residents. This targeted tax relief applies to joint filers with annual taxable incomes of \$100,000 or less, and single filers with a yearly taxable income of \$50,000 or less. By our current estimates, approximately 80,000 tax filers in Frederick County will benefit from this tax reduction. These residents are seniors, young families, public servants, and the working residents who keep our county running.

While Frederick County's income tax rate currently ranges from 2.75 – 2.96% depending on income, the passage of HB 142 would give us more flexibility to lower our tax rate further for targeted tax relief.

Thank you for your consideration of HB 142, the More Local Tax Relief for Working Families Act of 2023. On behalf of the residents of Frederick County, I urge a favorable report.



Jessica Fitzwater, County Executive
Frederick County, MD