



February 8, 2024

House Bill 470

**County Income Tax - Rate and Income Brackets - Alterations
House Ways and Means Committee**

Position: FAVORABLE

Anne Arundel County **SUPPORTS** House Bill 470 – County Income Tax - Rate and Income Brackets - Alterations

HB 470 would allow counties to set progressive local income tax rates of up to 3.7% on high income earners while requiring counties that exceed the current 3.2% limit to lower taxes on lower income earners, or dedicate the increased revenue to education and transportation.

Three years ago, the Maryland General Assembly gave local jurisdictions the authority to set our local income tax rates on a progressive bracket basis, while staying within the existing local income tax rate limit of 3.2%. Anne Arundel County proudly used this new authority. The flexibility provided allowed us to cut taxes for all income below \$50,000 in our 2023 budget, and raise the tax rate only on the top 2% of earners in our 2024 budget. As fiscal leaders, we look out for our constituents by ensuring that we generate necessary revenue in order to meet the challenges of today, while mitigating the economic burden on our hardworking taxpayers.

This enabling legislation is critical to how counties address their local tax and revenue needs. In Anne Arundel County, we could generate significant revenue to pay for education and local services with the passage of this bill, while only asking for very minimal help from those taxpayers with the highest incomes. We also would be able to keep rates lower for the majority of taxpayers. Every Maryland county would have similar options with passage of this bill, and having this level of flexibility would move every jurisdiction in the right direction for years to come.

Please grant Maryland jurisdictions the authority to make these important decisions on behalf of the residents who elect us with a **FAVORABLE** report on HB 470.

Steuart Pittman
County Executive