



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 8, 2024

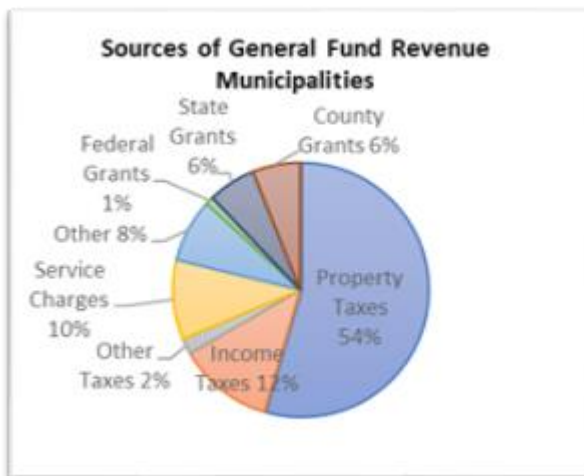
Committee: House Ways and Means Committee

Bill: HB 470 – County Income Tax - Rate and Income Brackets – Alterations

Position: Support

Reason for Position:

The Maryland Municipal League supports HB 470, which would allow counties to establish higher income tax rates for certain earners, up to 3.7%. While municipalities do not set income tax rates in Maryland, they do receive 17% of all income tax revenue derived from residents within their borders.



This year, the League adopted a priority to find ways to diversify their revenue streams. As it stands, municipalities are overdependent on property taxes to provide essential services for their residents. Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues. Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues. Local jurisdictions have little control over the other major sources of revenue, leaving municipalities with few options when fiscal challenges arise.

The Maryland Municipal League therefore respectfully requests the Committee provide HB 470 with a favorable report.

FOR MORE INFORMATION CONTACT:

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