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Patrick Moran – President

**SB 70 – County Income Tax – Rate and Income Brackets – Alterations
Budget and Taxation
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FAVORABLE

AFSCME Council 3 represents 45,000 state, county, and municipal employees. We support SB 70. This legislation alters the maximum county income tax rate in Maryland, limits the number of tax brackets, and sets income bracket thresholds. These revisions will not only streamline the county tax code but also enhance transparency and ease of compliance for individuals, while reducing the tax burden on working families.

SB 70 authorizes counties to set a maximum tax rate of 3.7% of an individual's Maryland taxable income. This adjustment helps reduce the tax burden on low- and middle-income individuals—who typically pay a higher percentage of their income in taxes—thereby providing them with greater disposable income to support local businesses and stimulate our economy. We also support SB 70 because it strengthens Local decision-making regarding their budgets. By allowing counties to set their own income tax rates, SB 70 enables counties to respond to local needs and priorities ,and helps to relieve pressures on the overall state budget.

We understand that the General Assembly intends for counties to use revenue generated above the 3.2% tax rate for critical funding of public education and transportation. AFSCME Council 3 is fully committed to ensuring that these vital services remain adequately funded. We believe all new revenue should be added into general funds, so legislatures are provided with the flexibility needed to address the changing demands of their communities, without placing additional strain on working families or our most vulnerable populations.

At a time when Maryland faces a significant budget deficit, SB 70 offers a responsible path to secure the necessary resources for local governments to provide essential public services while ensuring the burden does not fall on the state's most vulnerable citizens. We urge your support for SB 70, as it will provide our counties with the additional resources needed to support quality public services that benefit all Marylanders. Thank you for your consideration.