



Senate Bill 59

Income Tax - Resident

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: January 22, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 59. This bill ensures individuals who spend a significant portion of the year in Maryland contribute fairly to the tax base, helping to support the local services they rely on.

Counties deliver essential services to all residents, including those living part-time or owning second homes. Public safety, emergency response, and infrastructure face added strain in areas with large concentrations of seasonal residents or vacation properties. Under current law, these part-time residents often do not contribute equitably to the revenue needed to sustain these services, leaving full-time residents to shoulder the burden.

SB 59 updates Maryland's income tax law by redefining "resident" to include individuals who maintain a place of abode for more than three months of the taxable year. This practical adjustment captures tax contributions from those who rely on local services while in the state. The bill promotes fairness by aligning tax policy with modern residency patterns and ensures local governments can continue providing the essential services that underpin communities across the state.

Requiring all who benefit from local services to contribute their fair share resolves a longstanding inequity. Expanding the tax base to include part-time residents properly provides counties with resources to sustain critical services, address growing demands, and invest in stronger, more resilient communities.

Accordingly, MACo urges a **FAVORABLE** report on SB 59.