



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
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Annapolis, Maryland 21401*

HB0151

January 30, 2025

TO: Members of the Ways and Means Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: House Bill 151 - County Income Tax - Rate and Income Brackets - Alterations

POSITION: Support

Chair Atterbeary, Vice Chair Wilkins, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill 151.

HB 151 allows jurisdictions to increase the income tax rate cap from 3.2% to 3.7%, applying the higher rate only to single filers with taxable incomes over \$250,000 and joint filers with incomes over \$300,000. This proposal ensures that additional tax burdens are limited to high-income earners while providing local jurisdictions with the flexibility to address their fiscal needs.

According to the 2022 Maryland Income Tax Summary Report, the proposed legislation would impact approximately 3.5% of filers, or 6,835 City taxpayers. If Baltimore City adopts the higher rate cap of 3.7% in Fiscal 2026, it is estimated to generate \$18.3 million in additional income tax revenue in Fiscal 2026 and \$114.6 million over Fiscal Years 2026–2030. These additional revenues would bolster the City's ability to fund critical services and initiatives, such as education, public safety, and infrastructure improvements, while maintaining fairness in the tax system by focusing the increase on the highest-income earners.

For the above stated reasons, the BCA respectfully requests a **favorable** report on HB 151.