



TESTIMONY FOR HB0151
County Income Tax – Rate and Income Brackets - Alterations

Bill Sponsor: Delegate Palakovich-Carr

Committee: Ways and Means

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: **FAVORABLE**

I am submitting this testimony in favor of HB0151 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Having a progressive tax is the right way to ensure that those who are able to pay more taxes do, yet many of our counties have adopted a flat tax rate. This makes those who make less shoulder a higher burden.

This bill would limit the maximum tax rate that could be levied on taxable income to 3.7% and would limit the number of income brackets to eight. Tax rates that are over 3.2% can only be levied on income greater than \$250,000 for an individual or over \$300,000 for spouses filing jointly, or a head of household. If a county does set an income tax rate greater than 3.2%, it must use the proceeds from the difference between 3.2% and the rate set to pay for education and transportation.

The closer we get to a progressive tax, the fairer it is to low-income residents. This should always be a goal of the state.

We support this bill and recommend a **FAVORABLE** report in committee.