

## HB 151 – County Income Tax Rate and Income Brackets – Alterations Ways & Means Committee January 30<sup>th</sup>, 2025

## **Favorable**

Madam Chair, Vice-Chair, and members of the Ways and Means Committee thank you for the opportunity for AFSCME Council 3 to submit testimony in support of HB 151. As state employees, we understand the challenges posed by Maryland's budget deficit and the strain it places on vital services. To address these issues, we must find ways to increase revenue to ensure that our agencies are adequately staffed and equipped to serve the people of Maryland.

This bill's proposal to raise the maximum county income tax rate to 3.7% for Maryland taxable income over \$250,000 (or \$300,000 for joint filers) directly aligns with the principle that those who are most able to contribute should do so. This modest increase in the tax rate for higher earners ensures that the responsibility of funding critical public services falls on those best positioned to bear it. It is a fair, equitable approach that helps protect working families while allowing the state to better meet its obligations to the public.

As public employees, we are on the front lines of delivering vital services to Maryland residents—whether in the state, schools, or within local government. We understand firsthand the challenges our communities face as they grow, and we recognize the increasing demands for well-funded schools and transportation systems. However, we also know that providing these essential services requires the necessary resources. HB 151 offers a responsible way to raise those resources, without burdening middle- and lower-income families.

By supporting HB 151, we are not just asking for increased funding but funding that supports public employees who works tirelessly to serve our communities. This bill ensures that the additional revenue is specifically earmarked for the services that need it the most. Furthermore, the flexibility granted to counties in how they apply the income tax rate to different brackets allows local governments to tailor their approach to their specific needs, promoting local autonomy while keeping the focus on fairness and equity.

As state employees, we understand the challenges posed by Maryland's budget deficit and its impact on essential services. This fiscal strain makes it harder to maintain fully staffed agencies and ensure safe working environments for public employees. To address these challenges, we must explore ways to raise revenues, ensuring that our state can adequately support both the workforce and the citizens who rely on our services. Investing in our employees and resources is key to maintaining the quality and safety of public services.

We urge this committee to support HB 151. This is a chance to make a meaningful investment in the public services that all Marylanders depend on while ensuring that the wealthiest among us contribute their fair share.

Thank you for your time and consideration and ask for a favorable report.

