



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 183- INCOME TAX - RESIDENT

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN
JANUARY 30TH, 2025

Chair Atterbeary, Vice Chair Wilkins, and Members of the Ways and Means Committee,

Maryland is facing a significant budget deficit that will require tough decisions. As we face fiscal constraints, we need to find creative solutions to raise revenue without unduly burdening middle class Marylanders. Currently in Maryland, we tax a resident's income if they live in the state for more than 6 months out of a year. This does not take into account those who have abodes in Maryland and live here for less than 6 months. In Maryland, we already tax non-resident athletes on their share of income earned in the state¹. This bill will be the same basic idea for anyone who has a significant physical presence in the state, in this case for 3 months or more.

This bill will:

- Establish that for someone who lives in Maryland 3-6 months a year, they will apportion a part of their income to the state in a ratio commensurate with the time spent here.
- Provide technical language clarification to the original 6 month statute.
- We made changes to the language since drafting it, below is the amended language with the changes shown in red.

Article – Tax – General

§ 10–101. (k) (1) “Resident” means:

(i) an individual, other than a fiduciary, who:

1. is domiciled in this State on the last day of the taxable year; or
2. for more than ~~16~~¹³ months of the taxable year, maintained a place of abode in this State, whether domiciled in this State or not;

§ 10-203. Adjusted gross income of an individual

(A) Except as provided in PARAGRAPH (B) OF THIS SECTION AND EXCEPT AS PROVIDED in Subtitle 4 of this title, the Maryland adjusted gross income of an individual is the individual's federal adjusted gross income for the taxable year as adjusted under this Part II of this subtitle.

(B) THE MARYLAND ADJUSTED GROSS INCOME OF AN INDIVIDUAL WHO IS A NONRESIDENT AND WHO MAINTAINS A PLACE OF ABODE IN THE STATE FOR AT LEAST 91 DAYS BUT LESS THAN 183 DAYS IS THE SUM OF:

(1) THE INCOME DESCRIBED IN § 10-210(B)(1) THROUGH (4) OF THIS TITLE; AND

(2) THE PRODUCT OF:

(i) A FRACTION, THE NUMERATOR OF WHICH IS THE NUMBER OF DAYS PRESENT IN THE STATE AND THE DENOMINATOR OF WHICH IS 365; AND

(ii) THE SUM OF:

(A) TAXABLE INTEREST INCOME;

(B) CAPITAL GAINS FROM INTANGIBLES;

(C) DIVIDEND INCOME;

(D) TAXABLE ALIMONY RECEIVED; AND

(E) ROYALTIES.

I respectfully request a favorable report on HB 183.

¹[https://urldefense.com/v3/_https://www.marylandtaxes.gov/forms/Tax_Publications/Administrative_Releases/Income_and_Estate_Tax_Releases/ar_it24.pdf_!!BE8q0vBWmvix!INIMVFkxHRXmNIzdM63dxHL7o9Hmyy0sKJjiVOGaMCy0l4zx-nqYRo23SDY4iEMyQLKqUThYPEf4kYf960IrFRXG8dvG07c\\$](https://urldefense.com/v3/_https://www.marylandtaxes.gov/forms/Tax_Publications/Administrative_Releases/Income_and_Estate_Tax_Releases/ar_it24.pdf_!!BE8q0vBWmvix!INIMVFkxHRXmNIzdM63dxHL7o9Hmyy0sKJjiVOGaMCy0l4zx-nqYRo23SDY4iEMyQLKqUThYPEf4kYf960IrFRXG8dvG07c$)