

Bill No.: _____

Requested: _____

Committee: _____

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By: **Delegate W. Miller**

A BILL ENTITLED

1 AN ACT concerning

2 **Howard County – County Income Tax – Maximum Rate**

3 FOR the purpose of altering the maximum rate for the county income tax that Howard
4 County may set for certain taxable years; repealing obsolete language; and generally
5 relating to the county income tax.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 10–106
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2015 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
12 That the Laws of Maryland read as follows:

13 **Article – Tax – General**

14 10–106.

15 (a) (1) Each county shall set, by ordinance or resolution, a county income tax
16 equal to at least 1% but not more than [the percentage] **3.2%** of an individual’s Maryland
17 taxable income [as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) 3.05% for a taxable year beginning after December 31, 1998 but
2 before January 1, 2001;

3 (ii) 3.10% for a taxable year beginning after December 31, 2000 but
4 before January 1, 2002; and

5 (iii) 3.20% for a taxable year beginning after December 31, 2001].

6 (2) A county income tax rate continues until the county changes the rate
7 by ordinance or resolution.

8 (3) (i) A county may not increase its county income tax rate above 2.6%
9 until after the county has held a public hearing on the proposed act, ordinance, or resolution
10 to increase the rate.

11 (ii) The county shall publish at least once each week for 2 successive
12 weeks in a newspaper of general circulation in the county:

13 1. notice of the public hearing; and

14 2. a fair summary of the proposed act, ordinance, or
15 resolution to increase the county income tax rate above 2.6%.

16 (4) Notwithstanding paragraph (1) or (2) of this subsection, in Howard
17 County, the county income tax rate:

18 **(I) MAY NOT EXCEED 2.7% FOR A TAXABLE YEAR BEGINNING**
19 **AFTER DECEMBER 31, 2016; AND**

20 **(II) may be changed only by ordinance and not by resolution.**

21 (b) If a county changes its county income tax rate, the county shall:

22 (1) increase or decrease the rate in increments of one one-hundredth of a
23 percentage point, effective on January 1 of the year that the county designates; and

1 (2) give the Comptroller notice of the rate change and the effective date of
2 the rate change on or before July 1 prior to its effective date.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2016.

DRAFT