A BILL ENTITLED

1 AN ACT concerning

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)

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

Article – Tax – General

10–106.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(i) 3.05% for a taxable year beginning after December 31, 1998 but before January 1, 2001;

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

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

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

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

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

1. notice of the public hearing; and

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

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

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

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

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

(1) increase or decrease the rate in increments of one one-hundredth of a percentage point, effective on January 1 of the year that the county designates; and
give the Comptroller notice of the rate change and the effective date of
the rate change on or before July 1 prior to its effective date.

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