

HOUSE BILL 1141

Q3, L2

6lr1222

By: **Prince George's County Delegation**

Introduced and read first time: February 11, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County – County Employees – Taxation and Retirement**

3 **PG 437–16**

4 FOR the purpose of imposing a Prince George's County employee income tax surcharge at
5 a certain rate on the Maryland taxable income of certain employees in the county;
6 providing that certain Prince George's County residents are not subject to the income
7 tax surcharge; requiring certain counties to provide certain residents with a credit
8 against the county income tax; requiring the governing body of Prince George's
9 County to dedicate revenue attributable to the surcharge for a certain purpose;
10 requiring certain employees of Prince George's County to retire after a certain
11 number of years of service; requiring the governing body of Prince George's County
12 to adopt, by law, a requirement that certain employees retire before eligibility for a
13 certain benefit; providing for the application of this Act; and generally relating to
14 certain employees of Prince George's County.

15 BY adding to

16 Article – Tax – General
17 Section 2–608(c) and 10–106(c)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2015 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – Tax – General
22 Section 10–101(a)
23 Annotated Code of Maryland
24 (2010 Replacement Volume and 2015 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Tax – General
27 Section 10–101(d) and 10–103

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2010 Replacement Volume and 2015 Supplement)

3 BY adding to
4 Article – Local Government
5 Section 1–206
6 Annotated Code of Maryland
7 (2013 Volume and 2015 Supplement)

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

10 **Article – Tax – General**

11 2–608.

12 **(C) THE GOVERNING BODY OF PRINCE GEORGE’S COUNTY SHALL**
13 **DEDICATE ANY INCOME TAX REVENUE ATTRIBUTABLE TO THE PRINCE GEORGE’S**
14 **COUNTY EMPLOYEE INCOME TAX SURCHARGE IMPOSED UNDER § 10–103(C) OF THIS**
15 **ARTICLE TO THE PRINCE GEORGE’S COUNTY PUBLIC SCHOOLS.**

16 10–101.

17 (a) In this title the following words have the meanings indicated.

18 (d) **(1)** “County income tax” means the county tax on income authorized in §
19 10–103 of this subtitle.

20 **(2) “COUNTY INCOME TAX” INCLUDES, UNLESS THE CONTEXT**
21 **REQUIRES OTHERWISE, THE PRINCE GEORGE’S COUNTY EMPLOYEE INCOME TAX**
22 **SURCHARGE IMPOSED UNDER § 10–103(C) OF THIS SUBTITLE.**

23 10–103.

24 (a) Each county shall have a county income tax on the Maryland taxable income
25 of:

26 (1) each resident, other than a fiduciary, who on the last day of the taxable
27 year:

28 (i) is domiciled in the county; or

29 (ii) maintains a principal residence or a place of abode in the county;

30 (2) each personal representative of an estate if the decedent was domiciled
31 in the county on the date of the decedent’s death;

1 (3) each resident fiduciary of:

2 (i) a trust that is principally administered in the county; or

3 (ii) a trust that is otherwise principally connected to the county and
4 is not principally administered in the State; and

5 (4) except as provided in § 10–806(c) of this title, a nonresident who derives
6 income from salary, wages, or other compensation for personal services for employment in
7 the county.

8 (b) Except for the county income tax, a county, municipal corporation, special
9 taxing district, or other political subdivision may not impose a general local income,
10 earnings, or payroll tax, a general occupational license tax, or a general license or permit
11 tax based on income, earnings, or gross receipts.

12 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
13 **IN PRINCE GEORGE’S COUNTY A SURCHARGE IS IMPOSED ON THE MARYLAND**
14 **TAXABLE INCOME OF EACH INDIVIDUAL WHO DERIVES INCOME FROM SALARY,**
15 **WAGES, OR OTHER COMPENSATION FOR PERSONAL SERVICES FROM EMPLOYMENT**
16 **BY:**

17 **(I) THE PRINCE GEORGE’S COUNTY GOVERNMENT;**

18 **(II) THE PRINCE GEORGE’S COUNTY BOARD OF EDUCATION;**
19 **OR**

20 **(III) THE MARYLAND–NATIONAL CAPITAL PARK AND PLANNING**
21 **COMMISSION.**

22 **(2) THE SURCHARGE IMPOSED UNDER THIS SUBSECTION DOES NOT**
23 **APPLY TO THE INCOME OF AN INDIVIDUAL THAT IS A PRINCE GEORGE’S COUNTY**
24 **RESIDENT FOR AT LEAST 6 MONTHS OF THE TAXABLE YEAR.**

25 **(3) EXCEPT IN PRINCE GEORGE’S COUNTY, A COUNTY THAT IMPOSES**
26 **AN INCOME TAX UNDER SUBSECTION (A) OF THIS SECTION SHALL GRANT A**
27 **RESIDENT OF THE COUNTY A CREDIT AGAINST THE COUNTY INCOME TAX IN THE**
28 **AMOUNT OF ANY SURCHARGE PAID BY THE RESIDENT.**

29 10–106.

30 **(C) IN PRINCE GEORGE’S COUNTY THE SURCHARGE IMPOSED UNDER §**
31 **10–103(C) OF THIS SUBTITLE IS 5% OF MARYLAND TAXABLE INCOME.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
2 as follows:

3 **Article – Local Government**

4 **1–206.**

5 **(A) (1) AN EMPLOYEE OF THE PRINCE GEORGE’S COUNTY GOVERNMENT**
6 **OR THE PRINCE GEORGE’S COUNTY BOARD OF EDUCATION MUST RETIRE AFTER 30**
7 **YEARS OF SERVICE.**

8 **(2) AN EMPLOYEE REQUIRED TO RETIRE UNDER PARAGRAPH (1) OF**
9 **THIS SUBSECTION MAY WORK FOR 1 ADDITIONAL YEAR IF THE EMPLOYEE’S JOB**
10 **CLASSIFICATION OR RESPONSIBILITIES HAVE NOT INCREASED IN THE PREVIOUS 5**
11 **YEARS.**

12 **(B) THE GOVERNING BODY OF PRINCE GEORGE’S COUNTY SHALL**
13 **ESTABLISH, BY LAW, A REQUIREMENT THAT AN INDIVIDUAL EMPLOYED BY THE**
14 **PRINCE GEORGE’S COUNTY GOVERNMENT OR THE PRINCE GEORGE’S COUNTY**
15 **BOARD OF EDUCATION IN A POSITION IN WHICH AGE MAY NEGATIVELY IMPACT THE**
16 **INDIVIDUAL’S ABILITY TO PERFORM THEIR DUTIES MUST RETIRE BEFORE THE**
17 **INDIVIDUAL REACHES THE AGE OF ELIGIBILITY TO RECEIVE ANY BENEFIT UNDER**
18 **THE SOCIAL SECURITY ACT.**

19 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
20 applicable to all taxable years beginning after December 31, 2016.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
22 3 of this Act, this Act shall take effect October 1, 2016, and shall be applicable to all
23 employees of Prince George’s County who have been employed by the county for less than
24 30 years or who are under the age of 62 years.