

# HOUSE BILL 435

Q3

1lr1059

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By: **Delegate Smith**

Introduced and read first time: January 15, 2021

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Individual Income Tax – Millionaires’ Tax**

3 FOR the purpose of altering the State income tax rate for certain income of individuals;  
4 providing for a delayed effective date; providing for the application of this Act; and  
5 generally relating to the State individual income tax.

6 BY repealing and reenacting, with amendments,

7 Article – Tax – General

8 Section 10–105(a)

9 Annotated Code of Maryland

10 (2016 Replacement Volume and 2020 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 10–105.

15 (a) (1) For an individual other than an individual described in paragraph (2)  
16 of this subsection, the State income tax rate is:

17 (i) 2% of Maryland taxable income of \$1 through \$1,000;

18 (ii) 3% of Maryland taxable income of \$1,001 through \$2,000;

19 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;

20 (iv) 4.75% of Maryland taxable income of \$3,001 through \$100,000;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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- 1 (v) 5% of Maryland taxable income of \$100,001 through \$125,000;
- 2 (vi) 5.25% of Maryland taxable income of \$125,001 through \$150,000;
- 3 (vii) 5.5% of Maryland taxable income of \$150,001 through \$250,000;
- 4 [and]
- 5 (viii) 5.75% of Maryland taxable income [in excess of \$250,000] OF
- 6 **\$250,001 THROUGH \$1,000,000; AND**
- 7 **(IX) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
- 8 **\$1,000,000.**

9 (2) For spouses filing a joint return or for a surviving spouse or head of

10 household as defined in § 2 of the Internal Revenue Code, the State income tax rate is:

- 11 (i) 2% of Maryland taxable income of \$1 through \$1,000;
- 12 (ii) 3% of Maryland taxable income of \$1,001 through \$2,000;
- 13 (iii) 4% of Maryland taxable income of \$2,001 through \$3,000;
- 14 (iv) 4.75% of Maryland taxable income of \$3,001 through \$150,000;
- 15 (v) 5% of Maryland taxable income of \$150,001 through \$175,000;
- 16 (vi) 5.25% of Maryland taxable income of \$175,001 through \$225,000;
- 17 (vii) 5.5% of Maryland taxable income of \$225,001 through \$300,000;
- 18 [and]
- 19 (viii) 5.75% of Maryland taxable income [in excess of \$300,000] OF
- 20 **\$300,001 THROUGH \$1,000,000; AND**
- 21 **(IX) 7% OF MARYLAND TAXABLE INCOME IN EXCESS OF**
- 22 **\$1,000,000.**

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

24 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.