

CHAPTER 2

(House Bill 3)

AN ACT to add a new Section 323A to Article 81 of the Annotated Code of Maryland (1965 Replacement Volume), title "Revenue and Taxes," subtitle "Income Tax," to follow immediately after Section 323 thereof, providing that the County Council or Board of County Commissioners of any county and the Mayor and City Council of Baltimore for a stated period may levy and impose a local tax on income; providing generally for the rate, levy, imposition, AND collection, and distribution of this tax, and relating generally to the levy, imposition, and collection of a local tax on income by any of the respective counties or City of Baltimore.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That a new Section 323A be and it is hereby added to Article 81 of the Annotated Code of Maryland (1965 Replacement Volume), title "Revenue and Taxes," subtitle "Income Tax," to follow immediately after Section 323 thereof, and to read as follows:

323A.

(a) *The County Council or Board of County Commissioners of any county and the Mayor and City Council of Baltimore, by ordinance or resolution enacted pursuant to their ordinary and regular legislative procedures, may levy ~~and~~, impose AND COLLECT a local tax on income, to be effective within the limits of the respective political subdivision; and in such event it shall be imposed, collected, and distributed as in this section provided. IN ANY CHARTER COUNTY SUCH ORDINANCE OR RESOLUTION MAY BE ADOPTED AT ANY TIME, ANY LAW TO THE CONTRARY NOT WITHSTANDING.*

(b) *In such event the maximum rate or rates of any such tax on income shall be not in excess of the rate of tax imposed by the State of Maryland under this sub-title plus one per centum (1%). ~~and which rate or rates shall be certified by the executive authority of the particular political subdivision; and said SAID tax may apply to the income, taxable in this State, of every individual residing in such county or in Baltimore City, and to the income, taxable in this State, of every individual not a resident of such county or Baltimore City, but whose said income is derived from activities carried on or earned in such county or Baltimore City; and said tax may further apply to the income, taxable in this State, of every corporation, partnership, or other business entity, which is derived from or earned from that proportion of the business of said corporation, partnership, or other business entity fairly allocable to such county or Baltimore City.~~ "IN LEVYING AND IMPOSING A TAX UPON NONRESIDENTS, UNDER THE PROVISIONS OF THIS SECTION, A COUNTY OR BALTIMORE CITY SHALL NOT LEVY AND IMPOSE A TAX UPON THE WAGES AND SALARIES OF NONRESIDENTS WHO ARE NOT PHYSICALLY WITHIN THE COUNTY OR CITY AT THE TIME OF EARNING THE WAGES OR SALARIES, EVEN IF THE PAYMENT OF THE WAGES AND SALARIES IS MADE FROM THE COUNTY OR CITY."*