

tax for an individual, modified as provided under subsection (d) of this section] ~~3% OF MARYLAND TAXABLE INCOME~~ THE PERCENTAGE OF AN INDIVIDUAL'S MARYLAND TAXABLE INCOME AS FOLLOWS:

(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 [50%] 2.5% 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 [50%] 2.5%.

(4) Notwithstanding paragraph (1) or (2) of this subsection, in Howard County, the county income tax rate 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 [2 percentage points or 5 percentage points] ~~ONE-TWENTIETH~~ ONE ONE-HUNDREDTH OF A PERCENTAGE POINT, effective on January 1 of the year that the county designates; and

(2) 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.

[(c) For purposes of determining the county income tax, the State income tax shall be calculated by:

(1) using a State tax rate of 5% for Maryland taxable income in excess of \$3,000 instead of the marginal State tax rate for individuals specified under § 10-105(a)(4) of this subtitle;

(2) allowing a maximum of \$1,200 instead of the maximum amount specified under § 10-207(r) of this title for the subtraction modification for two-income married couples; and

(3) allowing \$1,200 instead of the amount specified in § 10-211(1) or (2) of this title for each exemption allowed under § 10-211(1) and (2) of this title.]