

## Prince George's County Council Agenda Item Summary

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**Meeting Date:** 5/20/2008  
**Reference No.:** CR-022-2008  
**Draft No.:** 2  
**Proposer(s):** County Executive  
**Sponsor(s):** Dean  
**Item Title:** A Resolution increasing the County income tax rate to 3.20% of the State taxable income.

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**Drafter:** Joseph R. Hamlin, Office of Law  
**Resource Personnel:** Jonathan R. Seeman, Director

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>		<b>Executive Action:</b>	
<b>Committee Referral:</b>	4/1/2008 - PSFM	<b>Effective Date:</b>	1/1/2009
<b>Committee Action:</b>	4/14/2008 - HELD 4/28/2008 - NR		
<b>Date Introduced:</b>	4/1/2008		
<b>Public Hearing:</b>	5/20/2008 - 10:00 AM		
<b>Council Action (1)</b>	5/20/2008 - ADOPTED		
<b>Council Votes:</b>	MB:A, WC:A, SHD:A, TD:A, CE:A, AH:AB, TK:A, EO:A, IT:A		
<b>Pass/Fail:</b>	P		
<b>Remarks:</b>			

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### AFFECTED CODE SECTIONS:

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### COMMITTEE REPORTS:

#### **PUBLIC SAFETY & FISCAL MANAGEMENT**

**Date 4/28/2008**

Committee Vote: No Recommendation, 4-0, (In favor: Councilmembers Knotts, Campos, Dean and Exum).

This resolution will increase the County's income tax rate from 3.10% to 3.20% of State taxable income. The tax rate increase will become effective January 1, 2009.

In 2006, the rate was decreased from 3.20% to 3.10%, effective January 1, 2007. (CB-35-2006)

In 2003, the rate was increased from 3.10% to 3.20% effective January 1, 2004. (CR-29-2003)

This resolution will require a public hearing.

This resolution was held in Committee on 4/14/08.

The Office of Law has reviewed the legislation and finds it to be in proper form with no legal impediments to its adoption.

The fiscal impact on the County will be positive with the adoption of CR-22-2008 since the rate increase will generate approximately \$6.5 million in FY2009 and \$13 million on an annual basis.

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**BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

This resolution will increase the County income tax rate from 3.10% to 3.20% of State taxable income. Pursuant to Section 10-106(b) of the Tax-General Article of the Annotated Code of Maryland, the tax rate increase will become effective January 1, 2009 and is projected to generate approximately \$6.5 million in FY 2009 and \$13 million on an annual basis.

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

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