## PRINCE GEORGE'S COUNTY COUNCIL AGENDA ITEM SUMMARY

| <b>Meeting Date:</b> 9/22/98           |  |                               |                  | <b>Reference No.:</b>                  | CB-100-1998       |
|--|--|-------------------------------|------------------|--|-------------------|
| <b>Proposer:</b>                       | Scott  |                               |                  | Draft No.:                             | 1                 |
| <b>Sponsors:</b>                       |  |                               |                  |  |                   |
| Item Title:                            | An Act concerning the County Income Tax for the purpose of reducing the County income tax rate in 2% increments, beginning January 1, 2000 |                               |                  |  |                   |
| <b>Drafter:</b> Ra                     | alph E. Grutz  | zmacher                       | Resou            | rce Personnel: Kay Kline               |                   |
| Legislative Officer                    |  |                               | Legislative Aide |  |                   |
| Date Preser<br>Committee<br>Committee  | Referral:  | 9/22/98<br>9/22/98<br>10/1/98 |                  | Executive Action:<br>Effective Date: _ |                   |
| Council Ac<br>Council Vo<br>Pass/Fail: | tes: RVR:  |                               | SD:, JE:,        |  | AS:, MW:          |
| Remarks:                               |  |                               |                  |  |                   |
| PUBLIC SA                              | AFETY & F  | ISCAL MA                      | ANAGEMENT        | COMMITTEE REPORT                       | Date: 10/8/98     |
| Committee                              | Action: He   | eld                           |                  |  |                   |
|  |  | •                             |                  | ack tax) rate by 2% per year           | beginning January |

1, 2000 and will set the final rate at 50%, effective January 1, 2004.

CR-58-1992 increased the rate to 60% for calendar years 1992-1994 and reduced the rate to 50% beginning January 1, 1995.

In 1994, CB-47-1994, changed the reduction from 60% to 58% in 1995 and 55% in 1996.

The Council enacted CB-3 on May 16, 1995, which reestablished the 60% income tax rate retroactive to January 1, 1995.

Based on FY97-98 estimated County income tax revenue of \$262,377,000, there will be a negative fiscal impact on the County in the amount of approximately \$131,188,500 for the 5 year period beginning January 1, 2000 and ending December 31, 2004 as a result of enacting CB-100-1998.

## BACKGROUND INFORMATION/FISCAL IMPACT

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

The proposed legislation would reduce the County income tax ("piggy-back tax") rate from 60% by 2% per year, beginning on January 1, 2000, and set the final rate at 50%, effective January 1, 2004.

## **CODE INDEX TOPICS:**