

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 5/16/95

Reference No.: CB-3-1995

Proposer: County Executive

Draft No.: 1

Sponsors: Del Giudice, Wilson, Bailey, Maloney, and Estep

Item Title: To set the County income tax rate at 60%, retroactively effective to January 1, 1995

Drafter: Barbara L. Holtz
Office of Law

Resource Personnel: Barbara L. Holtz
Office of Law

LEGISLATIVE HISTORY:

| | | | | |
|--------------------------------|---------|--------------------------|------------------------|--------|
| Date Presented: | 2/14/95 | Executive Action: | 5/16/95 | S |
| Committee Referral: (1) | 2/14/95 | PSFM | Effective Date: | 7/1/95 |
| Committee Action: (1) | 3/1/95 | FAV(A) | | |
| Date Introduced: | 4/25/95 | | | |
| Pub. Hearing Date: (1) | 5/16/95 | 1:30 PM | | |

Council Action: (1) 5/16/95 Enacted

Council Votes: AMc: A, DB: A, SDG: A, JE: A, IG: A, WM: A, RVR: A, AS: N, MW: A_
Pass/Fail: P

Remarks: _____

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE REPORT DATE: 3/1/95

Committee Vote: Favorable with amendments, 5-0 (In favor: Council Members Estep, Del Giudice, Gourdine, Maloney and Russell).

This bill will increase the County's income tax rate from 58% to 60% retroactively effective January 1, 1995. The County Executive requested this legislation to help preserve some of the most essential programs and services provided to the citizens of Prince George's County.

Amendments:

1. On page 1, lines 14-15, delete "effective in January 1, 1996", and insert "retroactively effective to January 1, 1995".
2. On page 2, delete after "County", lines 8-13 and insert "effective January 1, 1995".
3. On page 3, line 2, after "law", insert "and that Section 1 of this Act shall be retroactively effective to January 1, 1995".

The increase of the County income tax rate to 60% instead of allowing it to decrease to 58% on January 1, 1996, will have a positive fiscal impact on the County by generating an additional \$3.3 million in revenue during FY96.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This legislation will increase the County's "piggy back" income tax rate to 60% for calendar year 1996.

CODE INDEX TOPICS:

Finance and Taxation

Income Tax

County Income Tax..... 10-193