

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

Meeting Date: 6/3/2003**Reference No.:** CR-29-2003**Proposer:** County Executive**Draft No.:** 2**Sponsors:** Shapiro, Hendershot**Item Title:** A Resolution increasing the County income tax rate to
3.20% of the State taxable income

Drafter: Holly Sun
OMB**Resource** Stanley Earley, DCAO
Personnel: County Executive's Office

LEGISLATIVE HISTORY:**Date Presented:** __/__/__**Executive Action:** __/__/__**Committee Referral:** 5/13/2003 C.O.W.**Effective Date:** 1/1/2004**Committee Action:** 5/19/2003 FAV(A)**Date Introduced:** 5/13/2003**Public Hearing:** 6/3/2003 1:30 P.M.**Council Action:** 6/3/2003 ADOPTED**Council Votes:** PS:A, MB:A, SHD:A, TD:N, CE:A, DCH:A; TH:A, TK:A, DP:N**Pass/Fail:** P**Remarks:** _____

COMMITTEE OF THE WHOLE REPORT:

Date: 5/19/03

Favorable as amended, 7-2, (In favor: Councilmembers Shapiro, Bland, Dean, Exum, Harrington, Hendershot and Knotts. Opposed: Dernoga and Peters.)

This resolution was amended on page 2, line 13 by deleting "on June 12, 2003" and inserting "by the Council."

This resolution was referred to the Committee of the Whole on May 13, 2003.

The resolution will increase the County's income tax rate from 3.10% to 3.20% of the 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 be effective January 1, 2004.

The County Executive stated that the tax increase is proposed to help the County fund its core services in a difficult time. Currently the revenue growth is slowing down due to a combined impact of an economic downturn and proposed reduction of State Aid.

The fiscal impact will be positive in the approximate amount of \$4.3 million on the County in FY2004 as a result of adopting CR-29-2003.

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 is effective January 1, 2004 and is projected to generate approximately \$4.3 million of revenue in FY2004 and \$10 million in FY2005.

CODE INDEX TOPICS: