

Resolution No.: 20-1121  
Introduced: April 7, 2026  
Adopted: May 13, 2026

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council

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**SUBJECT:** County Income Tax – Rate Increase and Brackets

**Background**

1. County Resolution 15-171, adopted on May 14, 2003, set the County income tax rate at 3.20 percent of an individual’s Maryland taxable income. The tax rate took effect during the taxable year beginning January 1, 2004.
2. Under Section 10-106 of the Tax-General Article of the Maryland Code, the County may, by resolution, set the “county income tax equal to at least 2.25 percent but not more than 3.30 percent of an individual’s Maryland taxable income for a taxable year”. In addition, by resolution, “the county may apply the county income tax on a bracket basis.”
3. The County Executive recommended increasing the County income tax rate to a rate of 3.30 percent of an individual’s Maryland taxable income for the taxable year beginning January 1, 2027 and each subsequent taxable year.
4. On April 29, 2026, the Council’s Government Operations and Fiscal Policy (GO) Committee recommended the creation of tax brackets for a progressive County income tax structure.
5. On May 8, 2026, the Council made a preliminary decision to set the County income tax at rates of: (1) 2.70 percent of an individual’s Maryland taxable income of \$1 to \$50,000; (2) 3.00 percent of an individual’s Maryland taxable income of \$50,001 to \$150,000; and (3) 3.30 percent of an individual’s Maryland taxable income greater than \$150,000.
6. By this Resolution, the County is establishing the progressive income tax structure discussed by the Council on May 8, 2026. The structure will take effect the taxable year beginning January 1, 2027 and will continue for subsequent taxable years until changed by Council resolution.

7. As required under Section 10-106, the County published, once each week for 2 successive weeks, in a newspaper of general circulation in the County: (1) notice of a public hearing on the tax increase; and (2) a fair summary of this Resolution.
8. The Council held public hearings on this Resolution on April 21, 2026 and on May 12, 2026.
9. The County must notify the Maryland Comptroller in writing, no later than July 1, 2026, of the County income tax rates by tax bracket effective for the taxable year beginning January 1, 2027 and subsequent taxable years.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

1. Under Maryland Code, Tax-General Article Section 10-106, the County income tax effective for the taxable year beginning January 1, 2027, and for each subsequent taxable year, is imposed at the rates of:
  - a. 2.70 percent of an individual's Maryland taxable income from \$1 to \$50,000;
  - b. 3.00 percent of an individual's Maryland taxable income from \$50,001 to \$150,000; and
  - c. 3.30 percent for an individual's Maryland taxable income greater than \$150,000.
2. On or before July 1, 2026, the Director of Finance must notify the State Comptroller in writing of the rates and tax brackets set in this Resolution.
3. This Resolution takes effect immediately upon adoption and supersedes Resolution 15-171.

This is a correct copy of Council action.



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Sara R. Tenenbaum  
Clerk of the Council