

Make the Personal Income Tax More Progressive

Maryland's personal income tax structure is essentially flat. That means Washington Redskins owner Day Snyder pays essentially the same income tax rate as his maid.

Making the personal income tax structure more progressive not only makes it fairer. It also raises revenue – lots of revenue.

In addition to a millionaires' tax surcharge (discussed in the next chapter), there are various other proposals that would make Maryland's essentially flat individual income tax system a bit more progressive and in the process raise many millions in revenues.

Among the most frequently mentioned is **creation of a top income tax bracket of 6% for households with income over \$225,000. If implemented, DLS estimates this would generate about \$350 million per year.**

Such reforms could be accompanied by an increase in the personal exemption and standard deduction to conform to the federal tax code, a change which would cut Maryland taxes, on average, for 40% of Maryland's taxpayers who are in the lowest income brackets.

Wealthy individuals have never have had it so good in this country. Their income continues to grow much faster than the income of middle-class and poor persons. On top of that, President George W. Bush has showered them with tax break after tax break. It is only fair that the affluent give back a small portion of this windfall so Maryland can invest in a better future.