

# HOUSE BILL 1238

Q3, Q7

6lr3330

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By: **Delegates Acevero, Amprey, Martinez, Roberson, Woods, and Young**

Introduced and read first time: February 11, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Taxation – Ultra-High-Net-Worth Individual Surtax and Wealth Tax**

3 FOR the purpose of imposing a surtax on the Maryland taxable income of certain  
4 ultra-high-net-worth individuals; providing for the calculation, administration, and  
5 enforcement of the surtax; imposing a one-time wealth tax on the amount by which  
6 the net worth of a Maryland resident exceeds a certain amount; authorizing the  
7 Comptroller to adopt regulations providing for the calculation, administration,  
8 collection, and enforcement of the one-time wealth tax; and generally relating to an  
9 ultra-high-net-worth individual surtax and wealth tax.

10 BY adding to

11 Article – State Finance and Procurement  
12 Section 7-332  
13 Annotated Code of Maryland  
14 (2021 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, without amendments,

16 Article – Tax – General  
17 Section 10-101(a) and 10-601  
18 Annotated Code of Maryland  
19 (2022 Replacement Volume and 2025 Supplement)

20 BY adding to

21 Article – Tax – General  
22 Section 10-101(b-1), (i-1), (p), and (q), 10-105(e), and 10-831  
23 Annotated Code of Maryland  
24 (2022 Replacement Volume and 2025 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Tax – General  
27 Section 10-101(n) and 10-102

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2022 Replacement Volume and 2025 Supplement)

3 Preamble

4 WHEREAS, The General Assembly finds that the State of Maryland faces a  
5 significant structural budget deficit over the coming year that is driven by long-term  
6 obligations in education, health care, transportation, and public employee benefits; and

7 WHEREAS, The General Assembly finds that the federal funding that has  
8 historically supported State and local services is projected to be more volatile or decline as  
9 temporary federal programs expire and federal deficit-reduction efforts intensify; and

10 WHEREAS, The General Assembly finds that reliance on uncertain federal funding  
11 places core State responsibilities at risk, including implementing the Blueprint for  
12 Maryland's Future, providing behavioral health care, and making critical infrastructure  
13 investments; and

14 WHEREAS, The General Assembly finds that individuals with extreme  
15 concentrations of wealth have benefited disproportionately from national and global  
16 economic trends, including federal tax and monetary policies, while many Maryland  
17 residents continue to suffer from housing instability, inadequate access to behavioral  
18 health care, and under-resourced schools; and

19 WHEREAS, The General Assembly intends to remedy these findings by establishing  
20 a one-time tax on extreme wealth to stabilize Maryland's fiscal outlook, thereby reducing  
21 the State's structural budget deficit and cushioning reductions in federal funding, and by  
22 ensuring that ultra-high-net-worth Maryland residents contribute at least the same  
23 effective tax rate as the median effective tax rate paid by all Maryland residents; now,  
24 therefore,

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
26 That the Laws of Maryland read as follows:

27 **Article – State Finance and Procurement**

28 **7-332.**

29 **(A) IN THIS SECTION, “FUND” MEANS THE MARYLAND STRATEGIC**  
30 **INVESTMENT AND STABILIZATION FUND.**

31 **(B) THERE IS A MARYLAND STRATEGIC INVESTMENT AND STABILIZATION**  
32 **FUND.**

1           **(C) THE PURPOSE OF THE FUND IS TO REDUCE THE STATE'S STRUCTURAL**  
2 **BUDGET DEFICIT AND OFFSET REDUCTIONS IN OR LIMITATIONS ON FEDERAL**  
3 **FUNDING FOR STATE-ADMINISTERED PROGRAMS.**

4           **(D) THE SECRETARY OF BUDGET AND MANAGEMENT SHALL ADMINISTER**  
5 **THE FUND.**

6           **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
7 **SUBJECT TO § 7-302 OF THIS ARTICLE.**

8           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
9 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

10          **(F) THE FUND CONSISTS OF:**

11           **(1) REVENUE DISTRIBUTED TO THE FUND FROM THE WEALTH TAX**  
12 **IMPOSED UNDER SECTION 2 OF CHAPTER \_\_\_\_ (H.B. \_\_\_\_ ) (6LR3330) OF THE ACTS**  
13 **OF THE GENERAL ASSEMBLY OF 2026;**

14           **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

15           **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
16 **THE BENEFIT OF THE FUND.**

17          **(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**  
18 **THE FUND MAY BE USED ONLY TO REDUCE THE STATE'S STRUCTURAL BUDGET**  
19 **DEFICIT AND OFFSET REDUCTIONS IN OR LIMITATIONS ON FEDERAL FUNDING FOR**  
20 **STATE-ADMINISTERED PROGRAMS.**

21           **(2) FOR ANY FISCAL YEAR THAT THE FUND IS NOT NEEDED FOR THE**  
22 **PURPOSES DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, AS CERTIFIED**  
23 **BY THE BOARD OF REVENUE ESTIMATES, THE FUND MAY BE USED FOR:**

24           **(I) EDUCATION FUNDING AND IMPLEMENTATION OF THE**  
25 **BLUEPRINT FOR MARYLAND'S FUTURE;**

26           **(II) BEHAVIORAL HEALTH WORKFORCE EXPANSION AND**  
27 **COMMUNITY-BASED SERVICES;**

28           **(III) AFFORDABLE HOUSING AND CLIMATE-RESILIENT**  
29 **INFRASTRUCTURE; AND**

30           **(IV) SMALL BUSINESS AND INNOVATION GRANTS.**



1           **(Q) “ULTRA-HIGH-NET-WORTH INDIVIDUAL SURTAX” MEANS THE SURTAX**  
2 **IMPOSED UNDER § 10-102(B) OF THIS SUBTITLE.**

3 10-102.

4           **(A)** Except as provided in § 10-104 of this subtitle, a tax is imposed on the  
5 Maryland taxable income of each individual and of each corporation.

6           **(B) IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS**  
7 **SECTION, A SURTAX IS IMPOSED ON THE MARYLAND TAXABLE INCOME OF EACH**  
8 **MARYLAND RESIDENT WHO IS AN ULTRA-HIGH-NET-WORTH INDIVIDUAL.**

9 10-105.

10           **(E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**  
11 **MEANINGS INDICATED.**

12                           **(II) “MARYLAND EFFECTIVE INCOME TAX RATE” MEANS THE**  
13 **TOTAL AMOUNT OF STATE AND COUNTY INCOME TAX DUE FOR THE TAXABLE YEAR**  
14 **DIVIDED BY THE TAXPAYER’S MARYLAND TAXABLE INCOME FOR THE TAXABLE**  
15 **YEAR.**

16                           **(III) “MARYLAND FAIR SHARE INCOME TAX RATE” MEANS THE**  
17 **MEDIAN EFFECTIVE MARYLAND INCOME TAX RATE PAID BY ALL MARYLAND**  
18 **RESIDENTS FOR THE MOST RECENT TAXABLE YEAR FOR WHICH DATA IS AVAILABLE.**

19                   **(2) (I) ON OR BEFORE DECEMBER 31 EACH YEAR, THE**  
20 **COMPTROLLER SHALL DETERMINE AND PUBLISH ON THE COMPTROLLER’S**  
21 **WEBSITE THE MARYLAND FAIR SHARE INCOME TAX RATE FOR THE NEXT YEAR.**

22                           **(II) THE COMPTROLLER SHALL ADOPT REGULATIONS THAT**  
23 **SPECIFY HOW THE MARYLAND FAIR SHARE INCOME TAX RATE IS DETERMINED.**

24                   **(3) THE ULTRA-HIGH-NET-WORTH INDIVIDUAL SURTAX RATE IS**  
25 **EQUAL TO THE MARYLAND FAIR SHARE INCOME TAX RATE MINUS THE**  
26 **ULTRA-HIGH-NET-WORTH INDIVIDUAL’S MARYLAND EFFECTIVE INCOME TAX**  
27 **RATE.**

28 10-601.

29           Except as provided in § 10-105(d) of this title and except as otherwise provided in  
30 this subtitle, a person shall compute the State income tax by applying the tax rates in §  
31 10-105 of this title to Maryland taxable income.

1 **10-831.**

2 (A) THE COMPTROLLER MAY REQUIRE A RESIDENT TO FILE WITH THE  
3 RESIDENT'S INCOME TAX RETURN A NET WORTH DISCLOSURE STATEMENT  
4 CONTAINING THE INFORMATION THE COMPTROLLER REQUIRES FOR THE PURPOSE  
5 OF DETERMINING APPLICABILITY OF THE ULTRA-HIGH-NET-WORTH INDIVIDUAL  
6 SURTAX.

7 (B) (1) THE COMPTROLLER MAY EVALUATE ANY TRANSFER OF ASSETS  
8 BY A RESIDENT THAT OCCURS WITHIN 2 YEARS OF THE START OF A TAXABLE YEAR  
9 TO DETERMINE WHETHER THE TRANSFER WAS FOR THE SOLE PURPOSE OF  
10 AVOIDING THE ULTRA-HIGH-NET-WORTH INDIVIDUAL SURTAX.

11 (2) IF THE COMPTROLLER DETERMINES THAT THE TRANSFER UNDER  
12 PARAGRAPH (1) OF THIS SUBSECTION IS FOR THE SOLE PURPOSE OF AVOIDING THE  
13 ULTRA-HIGH-NET-WORTH INDIVIDUAL SURTAX, THE ULTRA-HIGH-NET-WORTH  
14 INDIVIDUAL SURTAX SHALL BE IMPOSED ON THE MARYLAND TAXABLE INCOME OF  
15 THE RESIDENT.

16 SECTION 2. AND BE IT FURTHER ENACTED, That:

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) "Assets" include:

- 19 (i) publicly traded securities;
- 20 (ii) privately held business interests;
- 21 (iii) real property;
- 22 (iv) interests held in trusts;
- 23 (v) tangible personal property; and
- 24 (vi) intellectual property.

25 (3) "Net worth" means the fair market value of all assets owned or  
26 controlled by an individual less all liabilities of the individual.

27 (4) "Resident" has the meaning stated in § 10-101 of the Tax – General  
28 Article.

29 (b) (1) A one-time wealth tax is imposed on the value of the assets of a resident  
30 who has a net worth in excess of \$1,000,000,000 on the valuation date.

1           (2)    The valuation date for the tax imposed under this subsection is January  
2 1, 2027, or any other date the Comptroller designates by regulation.

3           (c)    The tax rate for the tax imposed under this section is:

4           (1)    3% of the amount by which the net worth of a resident exceeds  
5 \$1,000,000,000 but does not exceed \$2,500,000,000;

6           (2)    5% of the amount by which the net worth of a resident exceeds  
7 \$2,500,000,000 but does not exceed \$5,000,000,000; and

8           (3)    6% of the amount by which the net worth of a resident exceeds  
9 \$5,000,000,000.

10          (d)    (1)    A resident may pay the tax imposed under this section in equal  
11 installments over a period not to exceed 5 years.

12          (2)    The Comptroller shall set a reasonable interest rate for a resident that  
13 elects to pay the tax in installment payments.

14          (e)    The Comptroller shall distribute the revenue from the tax imposed under this  
15 section to the Maryland Strategic Investment and Stabilization Fund established in §  
16 7-332 of the State Finance and Procurement Article, as enacted by Section 1 of this Act.

17          (f)    (1)    The Comptroller shall adopt regulations for the calculation,  
18 administration, collection, and enforcement of the tax imposed under this section.

19          (2)    The regulations shall establish uniform valuation standards for assets.

20          SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2026, and Section 1 of this Act shall be applicable to all taxable years beginning after  
22 December 31, 2027. Section 2 of this Act shall remain effective for a period of 6 years and,  
23 at the end of June 30, 2032, Section 2 of this Act, with no further action required by the  
24 General Assembly, shall be abrogated and of no further force and effect.