(1) increase or decrease the rate in increments of 2 PERCENTAGE POINTS OR 5 percentage points, effective on January 1 of the year that the county designates; and

(2) give the Comptroller notice of the rate change and the effective date of the rate change on or before July 1 prior to its effective date.

[(c) A county income tax rate in excess of 50% at the option of the county may be a multiple of 2 percentage points above 50% instead of a multiple of 5 percentage points above 50%.]

[(d)] (C) ~~(1)~~ ~~[For]~~ ~~EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR~~ For purposes of determining the county income tax, the State income tax shall be calculated by:

~~[(1)]~~ ~~(I)~~ using a State tax rate of 5% for Maryland taxable income in excess of $3,000 instead of the marginal State tax rate for individuals specified under § 10–105(a)(4) of this subtitle;

~~[(2)]~~ ~~(II)~~ allowing a maximum of $1,200 instead of the maximum amount specified under § 10–207(r) of this title for the subtraction modification for two–income married couples; and

~~[(3)]~~ ~~(III)~~ allowing $1,200 instead of the amount specified in § 10–211(1) or (2) of this title for each exemption allowed under § 10–211(1) and (2) of this title.

~~(2)~~ ~~(I)~~ ~~A COUNTY MAY ELECT, BY ORDINANCE OR RESOLUTION, TO BE EXCLUDED FROM THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(II)~~ ~~IF A COUNTY ELECTS TO BE EXCLUDED FROM THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, FOR PURPOSES OF DETERMINING THE COUNTY INCOME TAX UNDER THIS TITLE, THE STATE INCOME TAX SHALL BE CALCULATED WITHOUT THE MODIFICATION PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

~~(III)~~ ~~A COUNTY ELECTION TO BE EXCLUDED FROM THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION REMAINS IN EFFECT UNTIL THE COUNTY CHANGES THE ELECTION BY ORDINANCE OR RESOLUTION.~~

~~(IV)~~ ~~IF A COUNTY MAKES OR CHANGES AN ELECTION UNDER THIS PARAGRAPH:~~

~~1.~~ ~~THE ELECTION OR CHANGE SHALL TAKE EFFECT ON JANUARY 1 OF THE YEAR THAT THE COUNTY DESIGNATES; AND~~

~~2.~~ ~~THE COUNTY SHALL GIVE THE COMPTROLLER NOTICE OF THE ELECTION OR CHANGE ON OR BEFORE JULY 1 PRIOR TO ITS EFFECTIVE DATE.~~

10–604.

Except as otherwise provided in this subtitle, an individual shall compute the county income tax by applying the county tax rate to the State income tax computed under § 10–601 or § 10–602 of this subtitle, determined as provided under [§