
By: **Delegate W. Baker**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Stay-At-Home Parents**

3 FOR the purpose of allowing certain individuals having income not exceeding certain
4 levels a credit against the State income tax for certain dependent care expenses
5 paid by the individual; defining certain terms; providing for the application of
6 this Act; and generally relating to a credit against the State income tax for
7 certain dependent care expenses.

8 BY adding to
9 Article - Tax - General
10 Section 10-718
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 1999 Supplement)

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

15 **Article - Tax - General**

16 10-718.

17 (A) IN THIS SECTION, "ELIGIBLE STAY-AT-HOME TAXPAYER" MEANS AN
18 INDIVIDUAL:

19 (1) WHO IS LEGALLY MARRIED TO AN INDIVIDUAL EMPLOYED IN A
20 FULL-TIME POSITION AS DEFINED UNDER § 9-230 OF THE TAX - PROPERTY ARTICLE;

21 (2) WHO IS THE PARENT OF A DEPENDENT UNDER THE AGE OF 30
22 MONTHS AND WITH RESPECT TO WHOM THE TAXPAYER IS ENTITLED TO DEDUCT AN
23 EXEMPTION UNDER § 151(C) OF THE INTERNAL REVENUE CODE;

24 (3) WHO SPENDS AT LEAST 8 HOURS EACH DAY MAINTAINING THE
25 INDIVIDUAL'S PRINCIPAL RESIDENCE;

26 (4) WHOSE FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE
27 YEAR DOES NOT EXCEED:

1 (I) \$50,000 IN THE CASE OF A MARRIED COUPLE FILING A JOINT
2 RETURN; OR

3 (II) \$12,500 IN THE CASE OF A MARRIED INDIVIDUAL FILING A
4 SEPARATE RETURN; AND

5 (5) WHO DOES NOT GENERATE MORE THAN 25% OF THE FEDERAL
6 ADJUSTED GROSS INCOME REPORTED BY A MARRIED COUPLE FILING A JOINT
7 RETURN.

8 (B) AN ELIGIBLE STAY-AT-HOME TAXPAYER MAY CLAIM A CREDIT AGAINST
9 THE STATE INCOME TAX AS PROVIDED IN THIS SECTION FOR EXPENSES PAID BY THE
10 TAXPAYER DURING THE TAXABLE YEAR FOR THE CARE OF A DEPENDENT OF THE
11 INDIVIDUAL WHO IS UNDER THE AGE OF 30 MONTHS AND WITH RESPECT TO WHOM
12 THE TAXPAYER IS ENTITLED TO DEDUCT AN EXEMPTION UNDER § 151(C) OF THE
13 INTERNAL REVENUE CODE.

14 (C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED \$4,000.

15 (D) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE
16 STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED BEFORE THE
17 APPLICATION OF THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND
18 10-701.1 OF THIS SUBTITLE BUT AFTER THE APPLICATION OF THE OTHER CREDITS
19 ALLOWABLE UNDER THIS SUBTITLE.

20 (E) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY NOT
21 BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
24 1999.