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§2–606.

(a) After making the distributions required under §§ 2–604 and 2–605 of this subtitle, from the remaining income tax revenue from individuals, the Comptroller shall distribute to an unallocated individual revenue account the income tax revenue:

(1) with respect to which an income tax return is not filed; and

(2) that is attributable to:

(i) income tax withheld from salary, wages, or other compensation for personal services under Title 10 of this article; or

(ii) estimated income tax payments by individuals.

(b) (1) In June of each year, from current collections, the Comptroller shall reserve an amount of unallocated revenue that the Comptroller estimates will be claimed on returns and refunded to taxpayers within 3 years of the date the income tax return was due to be filed, and distribute to each county, municipal corporation, and special taxing district a pro rata share of the balance of the unallocated individual income tax revenue.

(2) The Comptroller shall adjust the amount distributed under paragraph (1) of this subsection to a county, municipal corporation, or special taxing district to allow for the proportionate part of tax claim payments for a prior calendar year made after a distribution is made to the county, municipal corporation, or special taxing district for that year.

(c) (1) To compute the pro rata share for a county, the Comptroller shall:

(i) compute the amount equal to the product of multiplying the unallocated individual income tax revenue by a fraction:

1. the numerator of which is the income tax for the county collected for a calendar year; and

2. the denominator of which is the total income tax from individuals collected for that year; and

(ii) reduce the amount computed under item (i) of this paragraph by the pro rata share computed under paragraph (2) of this subsection for municipal corporations and special taxing districts that are located in the county.

(2) To compute the pro rata share for a municipal corporation or special taxing district, the Comptroller shall compute the amount equal to the product of

multiplying the pro rata share for a calendar year for the county where the municipal corporation or district is located by a fraction:

(i) the numerator of which is the amount distributed under § 2–607 of this subtitle to that municipal corporation or special taxing district for that year; and

(ii) the denominator of which is the total income tax for that county collected for that year.

(d) On or before June 30, 2009, the Comptroller shall distribute $366,778,631 from the Local Reserve Account established to comply with this section to the General Fund of the State.

(e) On or before June 30, 2010, the Comptroller shall distribute $350,000,000 from the Local Reserve Account established to comply with this section to the Education Trust Fund established under § 9–1A–30 of the State Government Article.

(f) (1) On or before June 30, 2011, the Comptroller shall distribute $200,000,000 from the Local Reserve Account established to comply with this section to the General Fund of the State for use in funding the Maryland Medicaid Program for fiscal year 2011.

(2) In each of fiscal years 2021 through 2026, the State shall pay to the Local Reserve Account $33,333,333 to repay the $200,000,000 transfer to the General Fund authorized under paragraph (1) of this subsection.

(g) (1) On or before June 30, 2013, the Comptroller shall distribute $15,379,979 from the Local Reserve Account established to comply with this section to a special fund established in the Department of Transportation for the purpose of providing transportation grants to municipalities.

(2) The grants authorized under this subsection shall be allocated to eligible municipalities as provided in § 8–405 of the Transportation Article.

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