

HOUSE BILL 762

Q3, O1

7lr2532

By: **Delegates Platt, D. Barnes, Buckel, Ebersole, Hettleman, Hornberger, C. Howard, Luedtke, Moon, Patterson, Tarlau, Turner, Walker, A. Washington, and M. Washington**

Introduced and read first time: February 3, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Earned Income Tax Credit – Eligibility Awareness Campaign**

3 FOR the purpose of requiring the Department of Human Resources, in consultation with
4 the Office of the Comptroller, to implement and administer an earned income tax
5 credit eligibility awareness program for a certain purpose; establishing the Earned
6 Income Tax Credit Eligibility Awareness Campaign Fund as a special, nonlapsing
7 fund; specifying the purpose of the Fund; requiring the Secretary of Human
8 Resources to administer the Fund; requiring the State Treasurer to hold the Fund
9 and the Comptroller, in conjunction with the Secretary, to account for the Fund;
10 specifying the contents of the Fund; specifying the purpose for which the Fund may
11 be used; providing for the investment of money in and expenditures from the Fund;
12 beginning in a certain fiscal year, requiring the Governor to include in the annual
13 budget bill an appropriation of not less than a certain amount to the Fund; requiring
14 the Department to ensure that certain individuals are informed about certain
15 information; requiring the Department to request certain taxpayer information from
16 the Comptroller, to identify certain individuals who may be eligible for but failed to
17 claim certain credits, and to contact individuals identified under this Act by mail for
18 certain purposes; authorizing the Department to award certain grants from the Fund
19 to certain private entities; requiring a private entity that is awarded a grant to enter
20 into a certain memorandum of understanding with the Department; requiring the
21 private entity to submit proof of certain grant expenditures; requiring the
22 Department, in consultation with the Comptroller, to adopt certain regulations;
23 requiring the Department to report certain information to the General Assembly on
24 or before a certain date each year; requiring the Comptroller to establish a checkoff
25 on the individual income tax return through which certain individuals may authorize
26 the Comptroller to disclose certain information to the Department; authorizing the
27 Comptroller to disclose the information to the Department notwithstanding certain
28 provisions of law; defining certain terms; providing for the application of certain
29 provisions of this Act; and generally relating to the earned income tax credit.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Human Services
3 Section 2–501 through 2–504 to be under the new subtitle “Subtitle 5. Earned Income
4 Tax Credit Eligibility Awareness Campaign”
5 Annotated Code of Maryland
6 (2007 Volume and 2016 Supplement)

7 BY adding to
8 Article – Tax – General
9 Section 2–115
10 Annotated Code of Maryland
11 (2016 Replacement Volume)

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

14 **Article – Human Services**

15 **SUBTITLE 5. EARNED INCOME TAX CREDIT ELIGIBILITY AWARENESS CAMPAIGN.**

16 **2–501.**

17 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
18 INDICATED.

19 (B) “COMPTROLLER” HAS THE MEANING STATED IN § 1–101 OF THE
20 TAX – GENERAL ARTICLE.

21 (C) “EARNED INCOME TAX CREDIT” MEANS:

22 (1) WITH RESPECT TO THE CREDIT ALLOWED AGAINST THE FEDERAL
23 INCOME TAX, THE CREDIT ALLOWED UNDER § 32 OF THE INTERNAL REVENUE CODE;
24 AND

25 (2) WITH RESPECT TO THE CREDIT ALLOWED AGAINST THE STATE
26 INCOME TAX, THE CREDIT ALLOWED UNDER § 10–704 OF THE TAX – GENERAL
27 ARTICLE.

28 (D) “FUND” MEANS THE EARNED INCOME TAX CREDIT ELIGIBILITY
29 AWARENESS CAMPAIGN FUND ESTABLISHED UNDER THIS SUBTITLE.

30 **2–502.**

1 **(A) THERE IS AN EARNED INCOME TAX CREDIT ELIGIBILITY AWARENESS**
2 **CAMPAIGN FUND.**

3 **(B) THE SECRETARY SHALL ADMINISTER THE FUND.**

4 **(C) THE PURPOSE OF THE FUND IS TO:**

5 **(1) OFFSET THE COSTS OF THE EARNED INCOME TAX CREDIT**
6 **ELIGIBILITY AWARENESS CAMPAIGN CONDUCTED IN ACCORDANCE WITH THIS**
7 **SUBTITLE; AND**

8 **(2) PROVIDE GRANTS TO PRIVATE ENTITIES THAT PARTNER WITH**
9 **THE DEPARTMENT AS A PART OF THE CAMPAIGN.**

10 **(D) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT**
11 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

12 **(E) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE**
13 **COMPTROLLER, IN CONJUNCTION WITH THE SECRETARY, SHALL ACCOUNT FOR THE**
14 **FUND.**

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

16 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

17 **(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
18 **THE BENEFIT OF THE FUND.**

19 **(G) THE MONEY IN THE FUND SHALL BE INVESTED AND REINVESTED BY THE**
20 **STATE TREASURER, AND THE INTEREST AND EARNINGS SHALL BE CREDITED TO THE**
21 **GENERAL FUND OF THE STATE.**

22 **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
23 **WITH THE STATE BUDGET.**

24 **(I) FOR FISCAL YEAR 2019, AND EACH FISCAL YEAR THEREAFTER, THE**
25 **GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF**
26 **AT LEAST \$100,000 TO THE FUND.**

27 **(J) MONEY EXPENDED FROM THE FUND FOR THE EARNED INCOME TAX**
28 **CREDIT ELIGIBILITY AWARENESS CAMPAIGN UNDER THIS SUBTITLE IS**
29 **SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT**
30 **OTHERWISE WOULD BE APPROPRIATED FOR THE DEPARTMENT.**

1 **2-503.**

2 (A) THE DEPARTMENT, IN CONSULTATION WITH THE COMPTROLLER,
3 SHALL IMPLEMENT AND ADMINISTER AN EARNED INCOME TAX CREDIT ELIGIBILITY
4 AWARENESS CAMPAIGN TO ENCOURAGE ELIGIBLE INDIVIDUALS TO CLAIM THE
5 FEDERAL AND STATE EARNED INCOME TAX CREDITS.

6 (B) IN ADMINISTERING THE EARNED INCOME TAX CREDIT ELIGIBILITY
7 AWARENESS CAMPAIGN, THE DEPARTMENT SHALL:

8 (1) ENSURE THAT INDIVIDUALS WHO APPLY FOR OR RECEIVE PUBLIC
9 ASSISTANCE THROUGH THE DEPARTMENT ARE INFORMED BY THE DEPARTMENT
10 ABOUT THE FEDERAL AND STATE EARNED INCOME TAX CREDITS AND THAT THE
11 INDIVIDUALS MAY BE ELIGIBLE TO CLAIM THE CREDITS;

12 (2) (I) REQUEST THAT THE COMPTROLLER PROVIDE THE
13 DEPARTMENT THE TAXPAYER INFORMATION DESCRIBED UNDER § 2-115 OF THE
14 TAX - GENERAL ARTICLE;

15 (II) IDENTIFY THE INDIVIDUALS WHO MAY BE ELIGIBLE FOR
16 THE FEDERAL AND STATE EARNED INCOME TAX CREDITS BUT FAILED TO CLAIM THE
17 CREDITS; AND

18 (III) CONTACT EACH INDIVIDUAL IDENTIFIED UNDER ITEM (II)
19 OF THIS ITEM BY MAIL TO INFORM THE INDIVIDUAL THAT THE INDIVIDUAL MAY BE
20 ELIGIBLE TO CLAIM THE FEDERAL AND STATE EARNED INCOME TAX CREDITS AND
21 HOW TO APPLY FOR THE CREDITS; AND

22 (3) PARTNER WITH PRIVATE ENTITIES TO INCREASE GENERAL
23 AWARENESS OF THE FEDERAL AND STATE EARNED INCOME TAX CREDITS.

24 (C) THE DEPARTMENT MAY:

25 (1) UTILIZE MONEY IN THE FUND TO OFFSET PRINTING AND POSTAGE
26 COSTS INCURRED BY THE DEPARTMENT FOR THE MAILING REQUIRED UNDER
27 SUBSECTION (B)(2) OF THIS SECTION; AND

28 (2) AWARD GRANTS FROM THE FUND TO THE PRIVATE ENTITIES WITH
29 WHICH THE DEPARTMENT PARTNERS UNDER SUBSECTION (B)(3) OF THIS SECTION
30 TO AID THOSE PRIVATE ENTITIES IN EFFORTS TO EDUCATE THE PUBLIC ABOUT THE
31 FEDERAL AND STATE EARNED INCOME TAX CREDITS AND ENCOURAGE ELIGIBLE
32 INDIVIDUALS TO APPLY FOR THE CREDITS.

1 (D) (1) BEFORE THE DISTRIBUTION OF GRANT FUNDS, GRANT
2 RECIPIENTS SHALL EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE
3 DEPARTMENT AND AGREE TO WORK WITH THE DEPARTMENT IN ACCORDANCE WITH
4 DEPARTMENT GUIDELINES.

5 (2) AFTER RECEIVING A GRANT AWARD, THE GRANT RECIPIENT
6 SHALL SUBMIT A REPORT TO THE DEPARTMENT DETAILING THE USE OF GRANT
7 FUNDS.

8 (E) THE DEPARTMENT, IN CONSULTATION WITH THE COMPTROLLER,
9 SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING THE
10 CRITERIA AND PROCEDURES FOR THE APPLICATION FOR AND AWARD OF GRANTS
11 FROM THE FUND.

12 **2-504.**

13 ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE DEPARTMENT SHALL
14 REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE
15 STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION AND ADMINISTRATION
16 OF THE EARNED INCOME TAX CREDIT ELIGIBILITY AWARENESS CAMPAIGN UNDER
17 THIS SUBTITLE AND ANY EXPENDITURES FROM THE FUND ESTABLISHED UNDER §
18 **2-502 OF THIS SUBTITLE.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
20 as follows:

21 **Article – Tax – General**

22 **2-115.**

23 (A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL
24 INCOME TAX RETURN FORM A CHECKOFF DESIGNATED AS “AUTHORIZATION TO
25 DISCLOSE TAXPAYER INFORMATION TO DEPARTMENT OF HUMAN RESOURCES”.

26 (2) THE CHECKOFF SHALL STATE THAT THE INDIVIDUAL, OR EACH
27 SPOUSE IN THE CASE OF A JOINT RETURN, MAY AUTHORIZE THE COMPTROLLER TO
28 PROVIDE THE DEPARTMENT OF HUMAN RESOURCES, ON THE WRITTEN REQUEST OF
29 THAT DEPARTMENT, INFORMATION ON THE AMOUNT OF INCOME, FILING STATUS,
30 NUMBER AND TYPE OF DEPENDENTS, AND WHETHER THE FEDERAL EARNED INCOME
31 TAX CREDIT HAS BEEN CLAIMED AS REPORTED BY THE INDIVIDUAL, OR EACH
32 SPOUSE IN THE CASE OF A JOINT RETURN.

1 **(3) THE COMPTROLLER SHALL INCLUDE WITH THE INDIVIDUAL**
2 **INCOME TAX RETURN PACKAGE A DESCRIPTION OF THE PURPOSES FOR WHICH THE**
3 **INFORMATION AUTHORIZED TO BE DISCLOSED UNDER THE CHECKOFF**
4 **ESTABLISHED UNDER THIS SUBSECTION MAY BE USED.**

5 **(B) IF AN INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN,**
6 **AUTHORIZES THE COMPTROLLER TO DISCLOSE THE INFORMATION DESCRIBED**
7 **UNDER SUBSECTION (A)(2) OF THIS SECTION, THE COMPTROLLER MAY DISCLOSE**
8 **THE INFORMATION TO THE DEPARTMENT OF HUMAN RESOURCES,**
9 **NOTWITHSTANDING THE PROHIBITION UNDER § 13-202 OF THIS ARTICLE.**

10 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
11 applicable to all taxable years beginning after December 31, 2016.

12 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2017.