

# SENATE BILL 638

Q3

0lr1784  
CF 0lr0392

---

By: **Senator King**

Introduced and read first time: February 3, 2020

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Child Tax Credit**

3 FOR the purpose of allowing certain taxpayers to claim a credit against the State income  
4 tax for certain dependent children under certain circumstances; establishing the  
5 credit amount for each qualified child, subject to certain limitations; allowing certain  
6 taxpayers to claim a refund in the amount of any excess credit; defining certain  
7 terms; providing for the application and termination of this Act; and generally  
8 relating to a credit against the State income tax for certain dependent children.

9 BY adding to  
10 Article – Tax – General  
11 Section 10–751  
12 Annotated Code of Maryland  
13 (2016 Replacement Volume and 2019 Supplement)

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

16 **Article – Tax – General**

17 **10–751.**

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
19 INDICATED.

20 (2) “QUALIFIED CHILD” MEANS A DEPENDENT OF A TAXPAYER, IF THE  
21 DEPENDENT:

22 (I) IS A DEPENDENT FOR PURPOSES OF § 152 OF THE INTERNAL  
23 REVENUE CODE; AND

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1                   **(II) 1. IS UNDER THE AGE OF 6 YEARS; OR**  
2                               **2. A. IS UNDER THE AGE OF 17 YEARS; AND**  
3                                       **B. IS A CHILD WITH A DISABILITY, AS DEFINED UNDER §**  
4 **8-401 OF THE EDUCATION ARTICLE.**

5                   **(3) "TAXPAYER" MEANS:**

6                               **(I) AN INDIVIDUAL; OR**

7                                       **(II) A MARRIED COUPLE FILING A JOINT RETURN.**

8                   **(B) A TAXPAYER WHO HAS FEDERAL ADJUSTED GROSS INCOME FOR THE**  
9 **TAXABLE YEAR OF \$6,000 OR LESS MAY CLAIM A CREDIT AGAINST THE STATE**  
10 **INCOME TAX FOR EACH QUALIFIED CHILD IN AN AMOUNT EQUAL TO \$500.**

11                   **(C) THE AMOUNT OF THE CREDIT ALLOWED UNDER SUBSECTION (B) OF**  
12 **THIS SECTION FOR A QUALIFIED CHILD SHALL BE REDUCED, BUT NOT BELOW ZERO,**  
13 **BY THE AMOUNT OF ANY FEDERAL CHILD TAX CREDIT CLAIMED AGAINST THE**  
14 **FEDERAL INCOME TAX FOR THE QUALIFIED CHILD UNDER § 24 OF THE INTERNAL**  
15 **REVENUE CODE.**

16                   **(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**  
17 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE TAXPAYER MAY**  
18 **CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.**

19                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
20 1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019, but  
21 before January 1, 2025. It shall remain effective for a period of 5 years and, at the end of  
22 June 30, 2025, this Act, with no further action required by the General Assembly, shall be  
23 abrogated and of no further force and effect.