

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 390 (Senator Kelly)
Judicial Proceedings

Family Law - Child Support - Actual Income

This bill expands the definition of “actual income” used for purposes of child support calculations to include taxes paid by a parent’s employer (or, if the income is nontaxable, the amount of taxes that would be paid if the income were taxable).

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Current Law: Subject to limited exceptions, actual income means income from any source. This includes (1) salaries and wages; (2) dividend, pension, and interest income; (3) Social Security benefits; (4) workers’ compensation and unemployment benefits; and (5) alimony.

In a proceeding to establish or modify child support, whether *pendente lite* or permanent, the court is required to use the child support guidelines. The basic child support obligation is established in accordance with a schedule provided in statute. The current schedule uses the combined monthly adjusted actual income of both parents and the number of children for whom support is required to determine the basic child support obligation. Adjusted actual income, which is the basis for determining the basic child support obligation, is calculated from actual income minus preexisting reasonable child support obligations

actually paid and, except as specified, alimony or maintenance obligations actually paid. The child support statute establishes a rebuttable presumption that the amount of child support that would result from the application of the child support guidelines is the correct amount of child support that the court is to award. The presumption may be rebutted, however, by evidence that the application of the guidelines would be unjust or inappropriate in a particular case. If the court determines that application of the guidelines would be unjust or inappropriate in a particular case, the court must make a written finding or specific finding on the record that states the reasons for departure from the guidelines, as required by statute.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 648 (Delegate Crutchfield, *et al.*) - Judiciary.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2024
km/jkb

Analysis by: Amanda L. Douglas

Direct Inquiries to:
(410) 946-5510
(301) 970-5510