
By: Senator Haines

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Income Tax Credit**

3 FOR the purpose of allowing an individual other than a fiduciary to claim a credit against
4 the State income tax in a certain amount for certain dependents for which the
5 individual may deduct an exemption to determine federal taxable income; limiting
6 the amount of the credit to the amount of the State income tax for the taxable year;
7 providing for the application of this Act; and generally relating to a credit against
8 the State income tax.

9 BY adding to

10 Article - Tax - General
11 Section 10-707
12 Annotated Code of Maryland
13 (1988 Volume and 1995 Supplement)

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

16 **Article - Tax - General**

17 10-707.

18 (A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, AN
19 INDIVIDUAL OTHER THAN A FIDUCIARY MAY CLAIM A CREDIT AGAINST THE STATE
20 INCOME TAX FOR A TAXABLE YEAR IN AN AMOUNT EQUAL TO THE LESSER OF:

21 (1) \$150 FOR EACH DEPENDENT FOR WHICH THE INDIVIDUAL MAY
22 DEDUCT AN EXEMPTION IN THE TAXABLE YEAR TO DETERMINE FEDERAL TAXABLE
23 INCOME UNDER § 151 OF THE INTERNAL REVENUE CODE; OR

24 (2) THE STATE INCOME TAX FOR THE TAXABLE YEAR.

25 (B) OF THE AMOUNT ALLOWED UNDER SUBSECTION (A) OF THIS SECTION:

26 (1) A NONRESIDENT IS ALLOWED A FRACTION:

27 (I) THE NUMERATOR OF WHICH IS THE MARYLAND ADJUSTED
28 GROSS INCOME OF THE NONRESIDENT; AND

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1 (II) THE DENOMINATOR OF WHICH IS THE FEDERAL ADJUSTED
2 GROSS INCOME OF THE NONRESIDENT; AND

3 (2) AN INDIVIDUAL WHO FILES AN INCOME TAX RETURN FOR A PERIOD
4 OF LESS THAN 1 YEAR IS ALLOWED A FRACTION:

5 (I) THE NUMERATOR OF WHICH IS THE NUMBER OF MONTHS
6 THAT THE RETURN COVERS; AND

7 (II) THE DENOMINATOR OF WHICH IS 12.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,
10 1996.