

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 66

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Perry” and substitute “Perry, and Marriott”; in line 5, after “circumstances;” insert “providing that any excess credit over the State income tax does not reduce the county income tax below zero; repealing a certain subtraction modification for certain taxpayers whose income does not exceed certain levels; providing a credit against the State income tax for certain taxpayers whose income does not exceed certain levels; providing for the application of a certain credit in the computation of the county income tax; providing for the determination of the amount of certain credits for nonresidents and part-year residents in a certain manner; providing that an individual not otherwise required to file an income tax return may file a return to claim a certain refund;”; and in line 6, strike “the earned income credit” and substitute “certain credits”.

AMENDMENT NO. 2

On page 1, after line 6, insert:

“BY repealing

Article - Tax - General

Section 10-207(h)

Annotated Code of Maryland

(1997 Replacement Volume)”;

in line 9, strike “and 10-706(c)” and substitute “, 10-706(c), and 10-809”; and after line 11, insert:

“BY adding to

Article - Tax - General

Section 10-709

Annotated Code of Maryland

(1997 Replacement Volume)”.

(Over)

AMENDMENT NO. 3

On page 2, in line 18, strike “(i)”; in the same line, strike “The” and substitute “SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE”; in line 20, strike “(ii)” and substitute “(3) (I)”; and strike in their entirety lines 23 through 27, inclusive, and substitute:

“(II) IF THE CREDIT ALLOWED UNDER § 10-704 OF THIS SUBTITLE FOR ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX AS MODIFIED UNDER § 10-106(D) OF THIS TITLE, THE COUNTY INCOME TAX IS ZERO.”.

AMENDMENT NO. 4

On page 2, strike in their entirety lines 5 through 13, inclusive, and substitute:

“(C) FOR AN INDIVIDUAL WHO IS A NONRESIDENT OR IS A RESIDENT OF THE STATE FOR ONLY A PART OF THE YEAR, THE AMOUNT OF THE CREDIT OR REFUND ALLOWED UNDER THIS SECTION SHALL BE DETERMINED BASED ON THE PART OF THE EARNED INCOME CREDIT ALLOWABLE FOR THE TAXABLE YEAR UNDER § 32 OF THE INTERNAL REVENUE CODE THAT IS ATTRIBUTABLE TO MARYLAND, DETERMINED BY MULTIPLYING THE FEDERAL EARNED INCOME CREDIT BY A FRACTION:

(1) THE NUMERATOR OF WHICH IS THE MARYLAND ADJUSTED GROSS INCOME OF THE INDIVIDUAL; AND

(2) THE DENOMINATOR OF WHICH IS THE FEDERAL ADJUSTED GROSS INCOME OF THE INDIVIDUAL.”.

AMENDMENT NO. 5

On page 2, before line 28, insert:

“10-809.

If an individual is not required to file an income tax return under § 10-805, § 10-806 or § 10-813 of this subtitle, the individual:

(1) is not liable for income tax; and

(2) may file an income tax return to claim a refund of the income tax withheld or estimated income tax paid OR A REFUND UNDER § 10-704 OF THIS TITLE.”.

AMENDMENT NO. 6

On page 1, after line 14, insert:

“10-207.

[(h) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Applicable poverty income level” means the amount specified in the poverty income standard that corresponds to the number of exemptions to which the individual is entitled and claims under § 10-211(1) of this subtitle.

(iii) “Eligible low income taxpayer” means an individual, or an individual and the individual's spouse if they file a joint income tax return:

1. whose federal adjusted gross income as modified under §§ 10-204 through 10-206 of this subtitle does not exceed the applicable poverty income level;

2. whose earned income as defined under § 32(c)(2) of the Internal Revenue Code does not exceed the applicable poverty income level; and

3. who is not claimed as an exemption on another individual's tax return under § 10-211 of this subtitle.

(iv) “Poverty income standard” means the most recent poverty income guideline published by the United States Department of Health and Human Services, available as of July 1 of the taxable year.

(2) For any eligible low income taxpayer, the subtraction under subsection (a) of this section includes the amount of earned income as defined under § 32(c)(2) of the Internal Revenue Code.]”.

(Over)

AMENDMENT NO. 7

On page 2, in lines 15 and 21, in each instance, after “§ 10-704” insert “OR § 10-709”; in line 19, strike “the credit” and substitute “THE SUM OF THE CREDITS ALLOWED UNDER §§ 10-704 AND 10-709 OF THIS SUBTITLE”; and after line 27, insert:

“10-709.

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

(2) “APPLICABLE POVERTY INCOME LEVEL” MEANS THE AMOUNT SPECIFIED IN THE POVERTY INCOME STANDARD THAT CORRESPONDS TO THE NUMBER OF EXEMPTIONS WHICH THE INDIVIDUAL IS ALLOWED AND CLAIMS UNDER § 10-211(1) OF THIS TITLE.

(3) “ELIGIBLE LOW INCOME TAXPAYER” MEANS AN INDIVIDUAL, OR AN INDIVIDUAL AND THE INDIVIDUAL’S SPOUSE IF THEY FILE A JOINT INCOME TAX RETURN:

(I) WHOSE FEDERAL ADJUSTED GROSS INCOME AS MODIFIED UNDER §§ 10-204 THROUGH 10-206 OF THIS TITLE DOES NOT EXCEED THE APPLICABLE POVERTY INCOME LEVEL;

(II) WHOSE EARNED INCOME AS DEFINED UNDER § 32(C)(2) OF THE INTERNAL REVENUE CODE DOES NOT EXCEED THE APPLICABLE POVERTY INCOME LEVEL;

(III) WHO IS NOT CLAIMED AS AN EXEMPTION ON ANOTHER INDIVIDUAL'S TAX RETURN UNDER § 10-211 OF THIS TITLE; AND

(IV) FOR WHOM THE CREDIT ALLOWED UNDER § 10-704 OF THIS SUBTITLE IS LESS THAN THE STATE INCOME TAX.

(4) “POVERTY INCOME STANDARD” MEANS THE MOST RECENT POVERTY INCOME GUIDELINE PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, AVAILABLE AS OF JULY 1 OF THE TAXABLE YEAR.

(B) AN ELIGIBLE LOW INCOME TAXPAYER MAY CLAIM A CREDIT AGAINST THE INCOME TAX FOR A TAXABLE YEAR IN THE AMOUNT DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE CREDIT ALLOWED UNDER SUBSECTION (B) OF THIS SECTION EQUALS THE LESSER OF:

(I) THE STATE INCOME TAX DETERMINED AFTER SUBTRACTING THE CREDIT ALLOWED UNDER § 10-704(B)(1) OF THIS SUBTITLE; OR

(II) AN AMOUNT EQUAL TO 5% OF THE ELIGIBLE LOW INCOME TAXPAYER’S EARNED INCOME, AS DEFINED UNDER § 32(C)(2) OF THE INTERNAL REVENUE CODE.

(2) OF THE AMOUNT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION, AN INDIVIDUAL WHO IS A NONRESIDENT OR IS A RESIDENT OF THE STATE FOR ONLY A PART OF THE YEAR IS ALLOWED ONLY A FRACTION:

(I) THE NUMERATOR OF WHICH IS THE INDIVIDUAL’S MARYLAND ADJUSTED GROSS INCOME; AND

(II) THE DENOMINATOR OF WHICH IS THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS INCOME.”.

AMENDMENT NO. 8

On page 2, in line 1, after “INDIVIDUAL” insert “WITH ONE OR MORE DEPENDENTS THAT MAY BE CLAIMED AS EXEMPTIONS”.