
By: **Delegates Hixson, McIntosh, Barkley, Benson, Bobo, Bronrott, Conroy, C. Davis, DeCarlo, Dypski, Finifter, Glassman, Goldwater, Grosfeld, Healey, Howard, Hubbard, Hubers, Hurson, Kirk, Mandel, McIntosh, Menes, Minnick, Montague, Nathan-Pulliam, Patterson, Pendergrass, Petzold, Phillips, Pitkin, Riley, Shriver, Slade, Swain, Turner, Valderrama, Taylor, Marriott, Cryor, Cane, and Hecht**

Introduced and read first time: February 11, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Refundable Earned Income Credit**

3 FOR the purpose of altering the percentage of the federal earned income credit used
4 for determining the amount that certain individuals may claim as a refundable
5 credit under certain circumstances; providing for the application of this Act; and
6 generally relating to earned income credit allowed under the Maryland income
7 tax.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - General
10 Section 10-704(b)(2)
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 1998 Supplement)

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

15 **Article - Tax - General**

16 10-704.

17 (b) (2) (i) An individual with one or more dependents that may be claimed
18 as exemptions may claim a refund in the amount, if any, by which the applicable
19 percentage specified in subparagraph (ii) of this paragraph of the earned income
20 credit allowable under § 32 of the Internal Revenue Code exceeds the State income
21 tax for the taxable year.

22 (ii) The applicable percentage of the earned income credit allowable
23 under § 32 of the Internal Revenue Code to be used for purposes of determining the
24 refund provided under this paragraph is:

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- 1 1. 10% for a taxable year beginning after December 31, 1997
- 2 but before January 1, [2000] 1999;
- 3 2. [12.5%] 15% for a taxable year beginning after December
- 4 31, [1999] 1998 but before January 1, [2001] 2000; and
- 5 3. [15%] 20% for a taxable year beginning after December
- 6 31, [2000] 1999.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,
9 1998.