

HOUSE BILL 31

Unofficial Copy  
Q3  
HB 564/99 - W&M

2000 Regular Session  
0lr0293

(PRE-FILED)

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By: **Delegate Stocksdale**

Requested: July 7, 1999

Introduced and read first time: January 12, 2000

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Take Credit for Learning - Income Tax Credit and Subtraction Modification**  
3                                   **for Education Expenses**

4 FOR the purpose of allowing individuals a subtraction modification under the  
5 Maryland income tax for certain education-related expenses paid for  
6 dependents in kindergarten through grade 12, subject to certain limitations;  
7 allowing certain individuals with incomes not exceeding a certain amount to  
8 claim a State income tax credit for certain education-related expenses paid for  
9 dependents in kindergarten through grade 12, subject to certain limitations;  
10 making the credit refundable under certain circumstances; defining certain  
11 terms; providing for the application of this Act; and generally relating to an  
12 income tax subtraction modification and State income tax credit for  
13 education-related expenses paid for dependents in kindergarten through grade  
14 12.

15 BY repealing and reenacting, without amendments,  
16 Article - Tax - General  
17 Section 10-208(a)  
18 Annotated Code of Maryland  
19 (1997 Replacement Volume and 1999 Supplement)

20 BY adding to  
21 Article - Tax - General  
22 Section 10-208(o) and 10-718  
23 Annotated Code of Maryland  
24 (1997 Replacement Volume and 1999 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - Tax - General  
27 Section 10-809  
28 Annotated Code of Maryland  
29 (1997 Replacement Volume and 1999 Supplement)

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

3 **Article - Tax - General**

4 10-208.

5 (a) In addition to the modification under § 10-207 of this subtitle, the  
6 amounts under this section are subtracted from the federal adjusted gross income of  
7 a resident to determine Maryland adjusted gross income.

8 (O) (1) IN THIS SUBSECTION, "EDUCATION-RELATED EXPENSES" HAS THE  
9 MEANING STATED IN § 10-718 OF THIS TITLE.

10 (2) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (3) OF THIS  
11 SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
12 INCLUDES THE AMOUNT PAID BY AN INDIVIDUAL DURING THE TAXABLE YEAR FOR  
13 EDUCATION-RELATED EXPENSES FOR DEPENDENTS IN KINDERGARTEN THROUGH  
14 GRADE 12, REDUCED BY ANY AMOUNT ALLOWED AS A CREDIT UNDER § 10-718 OF  
15 THIS TITLE.

16 (3) THE SUBTRACTION UNDER THIS SUBSECTION MAY NOT EXCEED THE  
17 SUM OF:

18 (I) \$1,500 FOR EACH DEPENDENT IN KINDERGARTEN TO GRADE 6;  
19 AND

20 (II) \$2,500 FOR EACH DEPENDENT IN GRADES 7 TO 12.

21 10-718.

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

24 (2) (I) "EDUCATION-RELATED EXPENSES" MEANS:

25 1. FEES OR TUITION FOR INSTRUCTION OUTSIDE THE  
26 REGULAR SCHOOL DAY OR SCHOOL YEAR, IN GRADE OR AGE APPROPRIATE  
27 CURRICULA THAT:

28 A. SUPPLEMENT CURRICULA AND INSTRUCTION AVAILABLE  
29 DURING THE REGULAR SCHOOL YEAR;

30 B. ASSIST A DEPENDENT TO IMPROVE KNOWLEDGE OF CORE  
31 CURRICULUM AREAS OR TO EXPAND KNOWLEDGE AND SKILLS REQUIRED FOR  
32 GRADUATION; AND

33 C. DO NOT INCLUDE THE TEACHING OF RELIGIOUS TENETS,  
34 DOCTRINES, OR WORSHIP;



1 (C) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED  
2 \$1,000 FOR EACH CHILD AND \$2,000 FOR EACH INCOME TAX RETURN.

3 (2) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED BY A  
4 MARRIED INDIVIDUAL FILING A SEPARATE RETURN.

5 (3) OF THE CREDIT OTHERWISE ALLOWED UNDER THIS SECTION, AN  
6 INDIVIDUAL WHO IS A NONRESIDENT OR IS A RESIDENT OF THE STATE FOR ONLY A  
7 PART OF THE YEAR IS ALLOWED A FRACTION:

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

10 (II) THE DENOMINATOR OF WHICH IS THE INDIVIDUAL'S FEDERAL  
11 ADJUSTED GROSS INCOME.

12 (D) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR  
13 EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED BEFORE  
14 THE APPLICATION OF THE CREDITS UNDER THIS SECTION AND UNDER §§ 10-701 AND  
15 10-701.1 OF THIS SUBTITLE, BUT AFTER THE APPLICATION OF OTHER CREDITS  
16 ALLOWABLE UNDER THIS SUBTITLE, THE EXCESS OF THE CREDIT SHALL BE  
17 REFUNDED.

18 10-809.

19 If an individual is not required to file an income tax return under § 10-805, §  
20 10-806 or § 10-813 of this subtitle, the individual:

21 (1) is not liable for income tax; and

22 (2) may file an income tax return to claim a refund of the income tax  
23 withheld or estimated income tax paid or a refund under § 10-704 OR § 10-718 of this  
24 title.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,  
27 1999.