
By: **Delegates Burns, Jones, Morhaim, and Nathan-Pulliam**

Introduced and read first time: February 9, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Custodial Parents Unable to Collect Child Support**

3 FOR the purpose of allowing certain eligible parents to claim an income tax credit in
4 a certain amount against the State income tax under certain circumstances;
5 providing that the credit may not exceed the State income tax for that taxable
6 year and that any unused credit may not be carried over to any other taxable
7 year; defining certain terms; providing for the application of this Act; and
8 generally relating to a credit against the State income tax for certain eligible
9 parents.

10 BY adding to

11 Article - Tax - General

12 Section 10-726

13 Annotated Code of Maryland

14 (2004 Replacement Volume and 2005 Supplement)

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

17 **Article - Tax - General**

18 10-726.

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

21 (2) "ADMINISTRATION" MEANS THE CHILD SUPPORT ENFORCEMENT
22 ADMINISTRATION OF THE DEPARTMENT OF HUMAN RESOURCES.

23 (3) "ELIGIBLE PARENT" MEANS AN INDIVIDUAL WHO:

24 (I) IS THE CUSTODIAL PARENT OF A CHILD UNDER THE AGE OF 18;

25 (II) IS ENTITLED TO RECEIVE CHILD SUPPORT UNDER A COURT
26 ORDER;

1 (III) IS RECEIVING CHILD SUPPORT ENFORCEMENT SERVICES FROM
2 THE ADMINISTRATION; AND

3 (IV) HAS A FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE
4 YEAR THAT DOES NOT EXCEED \$50,000.

5 (4) "OBLIGOR" MEANS AN INDIVIDUAL WHO IS REQUIRED TO PAY CHILD
6 SUPPORT TO AN ELIGIBLE PARENT UNDER A COURT ORDER.

7 (B) AN ELIGIBLE PARENT MAY CLAIM A CREDIT AGAINST THE STATE INCOME
8 TAX IF THE ADMINISTRATION CERTIFIES THAT:

9 (1) THE OBLIGOR WAS 180 DAYS OR MORE OUT OF COMPLIANCE WITH
10 THE MOST RECENT COURT ORDER IN MAKING CHILD SUPPORT PAYMENTS IN THE
11 TAXABLE YEAR; OR

12 (2) THE OBLIGOR CANNOT BE LOCATED FOR THE PURPOSES OF
13 COLLECTING CHILD SUPPORT DUE UNDER A COURT ORDER.

14 (C) (1) THE CREDIT ALLOWED UNDER THIS SECTION EQUALS THE LESSER
15 OF:

16 (I) \$1,000; OR

17 (II) THE ELIGIBLE PARENT'S STATE INCOME TAX LIABILITY FOR
18 THAT TAXABLE YEAR.

19 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY
20 NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

21 (D) THE ADMINISTRATION, IN CONSULTATION WITH THE COMPTROLLER,
22 SHALL ADOPT REGULATIONS TO CERTIFY ELIGIBLE PARENTS FOR THE PURPOSES OF
23 THIS CREDIT.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,
26 2005.