

HOUSE BILL 294

Q3
HB 163/07 – W&M

8lr2217

By: **Delegate Burns**

Introduced and read first time: January 24, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Child Support – Incarcerated Noncustodial Parent**

3 FOR the purpose of allowing certain eligible parents to claim an income tax credit in a
4 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 2007 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
20 MEANINGS INDICATED.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) “CORRECTIONAL FACILITY” HAS THE MEANING STATED IN
2 § 1-101 OF THE CORRECTIONAL SERVICES ARTICLE.

3 (4) “ELIGIBLE PARENT” MEANS AN INDIVIDUAL WHO:

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

6 (II) IS ENTITLED TO RECEIVE CHILD SUPPORT UNDER A
7 COURT ORDER;

8 (III) IS RECEIVING CHILD SUPPORT ENFORCEMENT
9 SERVICES FROM THE ADMINISTRATION; AND

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

12 (5) “OBLIGOR” MEANS AN INDIVIDUAL WHO IS REQUIRED TO PAY
13 CHILD SUPPORT TO AN ELIGIBLE PARENT UNDER A COURT ORDER.

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

16 (1) THE OBLIGOR WAS 180 DAYS OR MORE OUT OF COMPLIANCE
17 WITH THE MOST RECENT COURT ORDER IN MAKING CHILD SUPPORT PAYMENTS
18 IN THE TAXABLE YEAR; AND

19 (2) THE OBLIGOR IS CURRENTLY INCARCERATED IN A
20 CORRECTIONAL FACILITY AND UNABLE TO MAKE CHILD SUPPORT PAYMENTS
21 DUE UNDER A COURT ORDER.

22 (C) (1) THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY
23 TAXABLE YEAR EQUALS THE LESSER OF:

24 (I) \$1,000; OR

25 (II) THE ELIGIBLE PARENT’S STATE INCOME TAX LIABILITY
26 FOR THAT TAXABLE YEAR.

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

1 (D) THE ADMINISTRATION, IN CONSULTATION WITH THE
2 **COMPTROLLER, SHALL ADOPT REGULATIONS TO CERTIFY ELIGIBLE PARENTS**
3 **FOR THE PURPOSES OF THE CREDIT UNDER THIS SECTION.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
6 2007.