

# HOUSE BILL 924

Q3

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By: **Delegates F. Turner, Barnes, Bobo, Glenn, Guzzone, Harrison, Kaiser, Krysiak, Mizeur, Montgomery, Pendergrass, Robinson, Stukes, and V. Turner**

Introduced and read first time: February 6, 2008

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit to Offset Increased Sales Tax**

3 FOR the purpose of allowing certain individuals having income not exceeding certain  
4 levels to claim a credit against the State income tax in certain amounts;  
5 providing for refundability of the credit; providing that certain individuals are  
6 ineligible for the tax credit; providing for the calculation of the credit for a  
7 nonresident or part-year resident; defining certain terms; providing for the  
8 application of this Act; and generally relating to a State income tax credit for  
9 certain individuals having income not exceeding certain levels.

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) “APPLICABLE POVERTY INCOME LEVEL” MEANS THE LESSER  
22 OF:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   (I)     THE AMOUNT SPECIFIED IN THE POVERTY INCOME  
2 STANDARD THAT CORRESPONDS TO THE NUMBER OF EXEMPTIONS CLAIMED BY  
3 AN INDIVIDUAL UNDER § 10-211(1) OF THIS TITLE; OR

4                   (II)    THE POVERTY INCOME STANDARD FOR A HOUSEHOLD  
5 OF NINE INDIVIDUALS.

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

10            (B)     AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME  
11 TAX FOR A TAXABLE YEAR IN THE AMOUNT DETERMINED UNDER SUBSECTION  
12 (C) OF THIS SECTION TO OFFSET STATE SALES AND USE TAX PAID BY  
13 LOW-INCOME TAXPAYERS.

14            (C)     EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CREDIT  
15 ALLOWED UNDER THIS SECTION IS:

16                   (1)     FOR AN INDIVIDUAL WITH FEDERAL ADJUSTED GROSS  
17 INCOME OF LESS THAN OR EQUAL TO THE APPLICABLE POVERTY INCOME  
18 LEVEL, \$100 FOR EACH EXEMPTION THAT IS CLAIMED BY THE INDIVIDUAL  
19 UNDER § 10-211(1) OF THIS TITLE; OR

20                   (2)     FOR AN INDIVIDUAL WITH FEDERAL ADJUSTED GROSS  
21 INCOME GREATER THAN THE APPLICABLE POVERTY INCOME LEVEL BUT LESS  
22 THAN OR EQUAL TO 200% OF THE APPLICABLE POVERTY INCOME LEVEL, \$50  
23 FOR EACH EXEMPTION THAT IS CLAIMED BY THE INDIVIDUAL UNDER §  
24 10-211(1) OF THIS TITLE.

25            (D)     AN INDIVIDUAL MAY CLAIM A REFUND IN THE AMOUNT, IF ANY, BY  
26 WHICH THE CREDIT ALLOWABLE FOR THE TAXABLE YEAR UNDER THIS SECTION  
27 EXCEEDS THE STATE INCOME TAX FOR THE TAXABLE YEAR.

28            (E)     THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT BE CLAIMED  
29 BY:

30                   (1)     A FIDUCIARY; OR

31                   (2)     AN INDIVIDUAL WHO MAY BE CLAIMED AS A DEPENDENT ON  
32 ANOTHER INDIVIDUAL’S TAX RETURN.

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

4                   **(1) THE NUMERATOR OF WHICH IS THE INDIVIDUAL'S MARYLAND**  
5 **ADJUSTED GROSS INCOME; AND**

6                   **(2) THE DENOMINATOR OF WHICH IS THE INDIVIDUAL'S FEDERAL**  
7 **ADJUSTED GROSS INCOME.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 2008, and shall apply to all taxable years beginning after December 31, 2008.