

# HOUSE BILL 630

F1, Q3

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By: **Delegates Levi, Benson, Branch, Burns, DeBoy, Glenn, Howard, Ivey, Kach, Kirk, Lafferty, Montgomery, Proctor, Ross, Schuh, Schuler, Stukes, V. Turner, Vallario, Vaughn, and Walker**

Introduced and read first time: February 6, 2009

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Restore Respect at School Act**

3 FOR the purpose of denying eligibility for a certain subtraction modification under the  
4 Maryland income tax for certain household and dependent care expenses to  
5 certain parents or guardians if their dependent child does not meet certain  
6 school discipline and attendance requirements; denying eligibility for a certain  
7 credit allowed against the State income tax for certain child care and dependent  
8 care expenses to certain parents or guardians if their dependent child does not  
9 meet certain school discipline and attendance requirements; requiring the State  
10 Board of Education to adopt certain regulations that provide a process for  
11 determining ineligibility; requiring a certain notice of ineligibility to be sent in  
12 writing to the Comptroller; requiring certain revenue attributable to a certain  
13 denial of a certain subtraction modification and a tax credit for certain  
14 dependent care expenses to certain parents or guardians to be distributed to a  
15 certain special fund; providing for the application of this Act; requiring the  
16 State Board of Education and the Comptroller to report to the General  
17 Assembly on or before a certain date; and generally relating to a certain  
18 subtraction modification and tax credit for certain dependent care expenses  
19 under the Maryland income tax.

20 BY repealing and reenacting, with amendments,  
21 Article – Education  
22 Section 6–203(a)  
23 Annotated Code of Maryland  
24 (2008 Replacement Volume)

25 BY repealing and reenacting, without amendments,  
26 Article – Education  
27 Section 6–203(e) and 7–305(a) through (c)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2008 Replacement Volume)

3 BY adding to  
4 Article – Education  
5 Section 7–311  
6 Annotated Code of Maryland  
7 (2008 Replacement Volume)

8 BY repealing and reenacting, with amendments,  
9 Article – Tax – General  
10 Section 2–609, 10–208(e), and 10–716  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2008 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article – Tax – General  
15 Section 10–208(a)  
16 Annotated Code of Maryland  
17 (2004 Replacement Volume and 2008 Supplement)

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

20 **Article – Education**

21 6–203.

22 (a) For all proceedings before a county board under §§ 4–205(c), 6–202, [and]  
23 7–305, **AND 7–311** of this article, the county board may have the proceedings heard  
24 first by a hearing examiner.

25 (e) (1) After it reviews the record and the recommendation of the hearing  
26 examiner, the county board shall make a decision.

27 (2) The decision may be appealed to the State Board as provided in  
28 this article.

29 7–305.

30 (a) (1) In accordance with the rules and regulations of the county board,  
31 each principal of a public school may suspend for cause, for not more than 10 school  
32 days, any student in the school who is under the direction of the principal.

33 (2) The student or the student's parent or guardian promptly shall be  
34 given a conference with the principal and any other appropriate personnel during the  
35 suspension period.

1           (3)    The student or the student's parent or guardian promptly shall be  
2 given a community resources list provided by the county board in accordance with §  
3 7-310 of this subtitle.

4           (b)    At the request of a principal, a county superintendent may suspend a  
5 student for more than 10 school days or expel the student.

6           (c)    (1)   If a principal finds that a suspension of more than 10 school days  
7 or expulsion is warranted, the principal immediately shall report the matter in writing  
8 to the county superintendent.

9           (2)    The county superintendent or the county superintendent's  
10 designated representative promptly shall make a thorough investigation of the matter.

11           (3)    If after the investigation the county superintendent finds that a  
12 longer suspension or expulsion is warranted, the county superintendent or the county  
13 superintendent's designated representative promptly shall arrange a conference with  
14 the student and his parent or guardian.

15           (4)    The student or the student's parent or guardian promptly shall be  
16 given a community resources list provided by the county board in accordance with §  
17 7-310 of this subtitle.

18           (5)    If after the conference the county superintendent or the county  
19 superintendent's designated representative finds that a suspension of more than 10  
20 school days or expulsion is warranted, the student or the student's parent or guardian  
21 may:

22                   (i)    Appeal to the county board within 10 days after the  
23 determination;

24                   (ii)   Be heard before the county board, its designated committee,  
25 or a hearing examiner, in accordance with the procedures established under § 6-203 of  
26 this article; and

27                   (iii)   Bring counsel and witnesses to the hearing.

28           (6)    Unless a public hearing is requested by the parent or guardian of  
29 the student, a hearing shall be held out of the presence of all individuals except those  
30 whose presence is considered necessary or desirable by the board.

31           (7)    The appeal to the county board does not stay the decision of the  
32 county superintendent.

33           (8)    The decision of the county board is final.

34   **7-311.**

1           (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
2 SUBSECTION, A PARENT OR GUARDIAN WHO MAY CLAIM A STUDENT AS A  
3 DEPENDENT FOR INCOME TAX PURPOSES IS INELIGIBLE TO RECEIVE THE  
4 SUBTRACTION MODIFICATION UNDER § 10-208(E) OF THE TAX - GENERAL  
5 ARTICLE OR THE TAX CREDIT UNDER § 10-716 OF THE TAX - GENERAL  
6 ARTICLE AS PROVIDED IN SUBSECTION (B) OF THIS SECTION IF DURING THE  
7 TAXABLE YEAR A COUNTY BOARD OR THE STATE BOARD ON APPEAL  
8 DETERMINED THAT THE STUDENT:

9                       (I) DID NOT COMPLETE THE MINIMUM AMOUNT OF  
10 HOMEWORK REQUIRED, IF THE LOCAL SCHOOL SYSTEM HAS ADOPTED A  
11 SYSTEM-WIDE POLICY REQUIRING STUDENTS TO COMPLETE A MINIMUM  
12 AMOUNT OF HOMEWORK DURING EACH ACADEMIC YEAR;

13                       (II) WAS, DURING THE ACADEMIC YEAR:

- 14                               1. AGE 5 THROUGH 20;
- 15                               2. IN MEMBERSHIP IN A SCHOOL FOR 91 OR MORE  
16 DAYS; AND
- 17                               3. UNLAWFULLY ABSENT FOR 20% OR MORE OF THE  
18 DAYS IN MEMBERSHIP; OR

19                       (III) SHOULD BE SUSPENDED OR EXPELLED IN ACCORDANCE  
20 WITH § 7-305 OF THIS SUBTITLE MORE THAN ONCE IN THE ACADEMIC YEAR,  
21 FOR ONE OF THE FOLLOWING REASONS:

- 22                               1. DISRESPECT;
- 23                               2. INSUBORDINATION; OR
- 24                               3. CLASSROOM DISRUPTION.

25           (2) THE PARENT OR GUARDIAN OF A STUDENT WHO HAS AN  
26 INDIVIDUAL EDUCATION PLAN AND WHOM A COUNTY BOARD OR THE STATE  
27 BOARD ON APPEAL HAS DETERMINED SHOULD BE SUSPENDED OR EXPELLED AS  
28 DESCRIBED UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION MAY NOT BE  
29 DENIED THE SUBTRACTION MODIFICATION OR TAX CREDIT UNDER THIS  
30 SUBSECTION.

31           (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
32 SUBSECTION, IF A COUNTY BOARD OR THE STATE BOARD ON APPEAL MADE A

1 DETERMINATION UNDER SUBSECTION (A) OF THIS SECTION REGARDING A  
2 STUDENT, FOR THE TAXABLE YEAR DURING WHICH THE DETERMINATION WAS  
3 MADE, A PARENT OR GUARDIAN WHO IS ELIGIBLE TO CLAIM THE STUDENT AS A  
4 DEPENDENT FOR INCOME TAX PURPOSES:

5 (I) MAY NOT CLAIM THE CREDIT ALLOWED AGAINST THE  
6 MARYLAND INCOME TAX FOR CHILD CARE AND DEPENDENT CARE EXPENSES  
7 FOR THE STUDENT UNDER § 10-716 OF THE TAX – GENERAL ARTICLE; AND

8 (II) IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS  
9 INCOME FOR THE TAXABLE YEAR EXCEEDS \$41,001, OR \$20,501 IN THE CASE OF  
10 A MARRIED INDIVIDUAL FILING A SEPARATE RETURN, MAY NOT CLAIM THE  
11 SUBTRACTION MODIFICATION UNDER THE MARYLAND INCOME TAX FOR  
12 HOUSEHOLD AND DEPENDENT CARE EXPENSES FOR THE STUDENT AS PROVIDED  
13 UNDER § 10-208(E) OF THE TAX – GENERAL ARTICLE.

14 (2) THE PARENT OR GUARDIAN MAY CLAIM THE SUBTRACTION  
15 MODIFICATION OR TAX CREDIT DESCRIBED UNDER THIS SUBSECTION IF:

16 (I) THE PARENT OR GUARDIAN ATTENDS A PARENT  
17 CONFERENCE AT THE SCHOOL PRIOR TO THE STUDENT'S READMISSION  
18 FOLLOWING SUCCESSIVE SUSPENSIONS; AND

19 (II) THE PARENT OR GUARDIAN PROVIDES EVIDENCE OF  
20 COMPLETION OF A COMMUNITY RESOURCE PROGRAM IDENTIFIED BY THE  
21 COUNTY BOARD UNDER § 7-310 OF THIS SUBTITLE.

22 (C) IF A PARENT OR GUARDIAN IS DETERMINED UNDER THIS SECTION  
23 TO BE INELIGIBLE TO RECEIVE THE SUBTRACTION MODIFICATION OR THE TAX  
24 CREDIT DESCRIBED IN SUBSECTION (B) OF THIS SECTION, THE BOARD THAT  
25 MADE THE DETERMINATION OF INELIGIBILITY SHALL NOTIFY THE  
26 COMPTROLLER IN WRITING ON OR BEFORE DECEMBER 31 OF THE YEAR IN  
27 WHICH THE DETERMINATION WAS MADE.

28 (D) (1) THE COMPTROLLER SHALL DENY A PARENT OR GUARDIAN  
29 ELIGIBILITY FOR THE TAX CREDIT UNDER § 10-716 OF THE TAX – GENERAL  
30 ARTICLE FOR ANY TAXABLE YEAR FOR WHICH THE COMPTROLLER RECEIVES  
31 NOTICE THAT THE PARENT OR GUARDIAN IS INELIGIBLE.

32 (2) IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME FOR  
33 THE TAXABLE YEAR EXCEEDS \$41,001, OR \$20,501 IN THE CASE OF A MARRIED  
34 INDIVIDUAL FILING A SEPARATE RETURN, THE COMPTROLLER SHALL DENY THE  
35 PARENT OR GUARDIAN ELIGIBILITY FOR THE SUBTRACTION MODIFICATION  
36 UNDER THE STATE INCOME TAX FOR HOUSEHOLD AND DEPENDENT CARE

1 **EXPENSES FOR THE STUDENT UNDER § 10-208(E) OF THE TAX - GENERAL**  
2 **ARTICLE FOR ANY TAXABLE YEAR FOR WHICH THE COMPTROLLER RECEIVES**  
3 **NOTICE THAT THE PARENT OR GUARDIAN IS INELIGIBLE.**

4 **(E) (1) THE STATE BOARD SHALL ADOPT REGULATIONS TO**  
5 **IMPLEMENT THE REQUIREMENTS OF THIS SECTION.**

6 **(2) THE REGULATIONS SHALL:**

7 **(I) ESTABLISH A PROCESS FOR DETERMINING**  
8 **INELIGIBILITY THAT IS SIMILAR TO THE PROCESS FOR SUSPENSION OF A**  
9 **STUDENT UNDER § 7-305 OF THIS SUBTITLE; AND**

10 **(II) ALLOW A DECISION OF THE COUNTY BOARD TO BE**  
11 **APPEALED TO THE STATE BOARD.**

12 **Article - Tax - General**

13 2-609.

14 **(A) [After] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**  
15 **AFTER** making the distributions required under §§ 2-604 through 2-608.1 of this  
16 subtitle, the Comptroller shall distribute the remaining income tax revenue from  
17 individuals to the General Fund of the State.

18 **(B) BEFORE MAKING THE DISTRIBUTION REQUIRED UNDER**  
19 **SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE TO A**  
20 **SPECIAL FUND TO BE USED FOR THE PURPOSES OF THE GOVERNOR'S OFFICE**  
21 **OF CRIME CONTROL AND PREVENTION THE REVENUE, AS DETERMINED BY THE**  
22 **COMPTROLLER, ATTRIBUTABLE TO THE DENIAL OF THE FOLLOWING IN**  
23 **ACCORDANCE WITH § 7-311 OF THE EDUCATION ARTICLE:**

24 **(1) THE SUBTRACTION MODIFICATION UNDER THE STATE**  
25 **INCOME TAX FOR HOUSEHOLD AND DEPENDENT CARE EXPENSES FOR THE**  
26 **STUDENT UNDER § 10-208(E) OF THIS ARTICLE; AND**

27 **(2) THE CREDIT ALLOWED AGAINST THE STATE INCOME TAX FOR**  
28 **CHILD CARE AND DEPENDENT CARE EXPENSES FOR THE STUDENT UNDER §**  
29 **10-716 OF THIS ARTICLE.**

30 10-208.

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

(e) [The] **EXCEPT AS PROVIDED IN § 7-311 OF THE EDUCATION ARTICLE, THE** subtraction under subsection (a) of this section includes expenses for household and dependent care services not exceeding the dollar limit allowed under § 21(c) of the Internal Revenue Code and determined without reference to the percentage limitation in § 21(a)(2) of the Internal Revenue Code.

10-716.

(a) (1) In this section the following words have the meanings indicated.

(2) “Federal child and dependent care credit” means the child and dependent care credit properly claimed by an individual for the taxable year under § 21 of the Internal Revenue Code.

(3) “Qualifying individual” means a qualifying individual within the meaning of § 21(b) of the Internal Revenue Code.

(b) [An] **EXCEPT AS PROVIDED IN § 7-311 OF THE EDUCATION ARTICLE, AN** individual whose federal adjusted gross income for the taxable year does not exceed \$50,000, or \$25,000 in the case of a married individual filing a separate return, may claim a credit against the State income tax as provided in this section for expenses paid by the individual during the taxable year for the care of a qualifying individual.

(c) Subject to subsection (d) of this section, the credit allowed under this section equals the lesser of:

(1) 32.5% of the federal child and dependent care credit; or

(2) the State income tax for the taxable year.

(d) (1) If an individual’s federal adjusted gross income for the taxable year exceeds \$41,000, the credit otherwise allowed under this section shall be reduced by 10% for each \$1,000 or fraction of \$1,000 by which the individual’s federal adjusted gross income exceeds \$41,000.

(2) In the case of a married individual filing a separate return, if the individual’s federal adjusted gross income for the taxable year exceeds \$20,500, the credit otherwise allowed under this section shall be reduced by 10% for each \$500 or fraction of \$500 by which the individual’s federal adjusted gross income exceeds \$20,500.

(e) The credit allowed under this section does not affect the treatment under this title of any deduction or exclusion allowed under this title or allowed for federal income tax purposes for expenses paid by the individual for the care of a qualifying individual.

1       SECTION 2. AND BE IT FURTHER ENACTED, That the State Board of  
2 Education and the Comptroller shall report to the General Assembly on or before  
3 December 31, 2013, in accordance with § 2-1246 of the State Government Article, on  
4 the implementation of this Act.

5       SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 July 1, 2009, and shall be applicable to all taxable years beginning after December 31,  
7 2009.