

SENATE BILL 22

Q3

EMERGENCY BILL

5lr0344

By: **Senator Madaleno**

Introduced and read first time: January 16, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Earned Income Tax Credit – Tax Year 2014 – Technical Correction**

3 FOR the purpose of clarifying, for a certain taxable year, the percentage of the federal
4 earned income credit used for determining the amount that an individual may claim
5 as a refund under the Maryland earned income credit under certain circumstances;
6 making this Act an emergency measure; and generally relating to the earned income
7 tax credit allowed under the State income tax.

8 BY repealing and reenacting, without amendments,

9 Article – Tax – General

10 Section 10–704(a) and (b)(1)

11 Annotated Code of Maryland

12 (2010 Replacement Volume and 2014 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – General

15 Section 10–704(b)(2)

16 Annotated Code of Maryland

17 (2010 Replacement Volume and 2014 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Tax – General**

21 10–704.

22 (a) (1) An individual may claim a credit against the State income tax for a
23 taxable year in the amount determined under subsection (b) of this section for earned
24 income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) An individual may claim a credit against the county income tax for a
2 taxable year in the amount determined under subsection (c) of this section for earned
3 income.

4 (b) (1) Except as provided in paragraph (2) of this subsection and subject to
5 subsection (d) of this section, the credit allowed against the State income tax under
6 subsection (a)(1) of this section is the lesser of:

7 (i) 50% of the earned income credit allowable for the taxable year
8 under § 32 of the Internal Revenue Code; or

9 (ii) the State income tax for the taxable year.

10 (2) (i) An individual may claim a refund in the amount, if any, by which
11 the applicable percentage specified in subparagraph (ii) of this paragraph of the earned
12 income credit allowable for the taxable year under § 32 of the Internal Revenue Code
13 exceeds the State income tax for the taxable year.

14 (ii) The applicable percentage of the earned income credit allowable
15 under § 32 of the Internal Revenue Code to be used for purposes of determining the refund
16 provided under this paragraph is:

17 1. **25% FOR A TAXABLE YEAR BEGINNING AFTER**
18 **DECEMBER 31, 2013, BUT BEFORE JANUARY 1, 2015;**

19 2. 25.5% for a taxable year beginning after December 31,
20 2014, but before January 1, 2016;

21 [2.] 3. 26% for a taxable year beginning after December 31,
22 2015, but before January 1, 2017;

23 [3.] 4. 27% for a taxable year beginning after December 31,
24 2016, but before January 1, 2018; and

25 [4.] 5. 28% for a taxable year beginning after December 31,
26 2017.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
28 measure, is necessary for the immediate preservation of the public health or safety, has
29 been passed by a ye and nay vote supported by three-fifths of all the members elected to
30 each of the two Houses of the General Assembly, and shall take effect from the date it is
31 enacted.