

SENATE BILL 207

Q3

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By: **Senator Watson**

Introduced and read first time: January 20, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Octogenarian Credit**

3 FOR the purpose of authorizing a certain credit against the State income tax for certain
4 taxpayers who are at least a certain age; and generally relating to an income tax
5 credit for taxpayers who are octogenarians.

6 BY adding to
7 Article – Tax – General
8 Section 10–754.1
9 Annotated Code of Maryland
10 (2022 Replacement Volume)

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

13 **Article – Tax – General**

14 **10–754.1.**

15 **(A) IN THIS SECTION, “ELIGIBLE TAXPAYER” MEANS A RESIDENT WHO:**

16 **(1) ON THE LAST DAY OF THE TAXABLE YEAR, IS AT LEAST 80 YEARS**
17 **OLD; AND**

18 **(2) HAS FEDERAL ADJUSTED GROSS INCOME NOT EXCEEDING:**

19 **(I) \$175,000 FOR A TAXPAYER FILING AS AN INDIVIDUAL; OR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(II) \$250,000 FOR SPOUSES FILING A JOINT RETURN OR FOR A**
2 **SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED IN § 2 OF THE INTERNAL**
3 **REVENUE CODE.**

4 **(B) (1) THIS SUBSECTION APPLIES TO AN ELIGIBLE TAXPAYER FILING AS**
5 **AN INDIVIDUAL OR AS A SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED**
6 **IN § 2 OF THE INTERNAL REVENUE CODE.**

7 **(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN ELIGIBLE**
8 **TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT**
9 **EQUAL TO:**

10 **(I) 20% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
11 **THE ELIGIBLE TAXPAYER IS 80 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;**

12 **(II) 40% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
13 **THE ELIGIBLE TAXPAYER IS 81 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;**

14 **(III) 60% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
15 **THE ELIGIBLE TAXPAYER IS 82 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;**

16 **(IV) 80% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
17 **THE ELIGIBLE TAXPAYER IS 83 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;**
18 **AND**

19 **(V) 100% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR,**
20 **IF THE ELIGIBLE TAXPAYER IS AT LEAST 84 YEARS OLD ON THE LAST DAY OF THE**
21 **TAXABLE YEAR.**

22 **(C) (1) THIS SUBSECTION APPLIES TO AN ELIGIBLE TAXPAYER FILING A**
23 **JOINT RETURN.**

24 **(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN ELIGIBLE**
25 **TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT**
26 **EQUAL TO:**

27 **(I) 20% OF THE STATE INCOME TAX FOR AN ELIGIBLE**
28 **TAXPAYER, IF BOTH SPOUSES ARE AT LEAST 80 YEARS OLD ON THE LAST DAY OF THE**
29 **TAXABLE YEAR;**

30 **(II) 40% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
31 **BOTH SPOUSES ARE AT LEAST 81 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
32 **YEAR;**

1 **(III) 60% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
2 **BOTH SPOUSES ARE AT LEAST 82 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
3 **YEAR;**

4 **(IV) 80% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
5 **BOTH SPOUSES ARE AT LEAST 83 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
6 **YEAR; AND**

7 **(V) 100% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR,**
8 **IF BOTH SPOUSES ARE AT LEAST 84 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
9 **YEAR.**

10 **(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**
11 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE UNUSED AMOUNT**
12 **OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2023, and shall be applicable to all taxable years beginning after December 31, 2022.