

SENATE BILL 661

Q3, K2

3lr2882
CF HB 708

By: **The President (By Request – Departmental – Comptroller)**

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance – Tax Parity for Delayed Payments of Benefits**

3 FOR the purpose of requiring the Comptroller to provide a certain grant payment to an
4 individual paid certain unemployment insurance benefits during a certain calendar
5 year under certain circumstances; and generally relating to unemployment
6 insurance.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – General

9 Section 10–208(a) and (y)

10 Annotated Code of Maryland

11 (2022 Replacement Volume)

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

14 **Article – Tax – General**

15 10–208.

16 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
17 under this section are subtracted from the federal adjusted gross income of a resident to
18 determine Maryland adjusted gross income.

19 (y) For a taxable year beginning after December 31, 2019, but before January 1,
20 2022, the subtraction under subsection (a) of this section includes the amount of benefits
21 paid to an individual in accordance with Title 8 of the Labor and Employment Article, or in
22 accordance with the unemployment insurance program of a jurisdiction with which the
23 State has a reciprocal taxation agreement, if the individual's federal adjusted gross income
24 for the taxable year does not exceed:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) \$75,000 for an individual; or

2 (2) \$100,000 for a married couple filing a joint return or an individual
3 described in § 2 of the Internal Revenue Code as a head of household or as a surviving
4 spouse.

5 SECTION 2. AND BE IT FURTHER ENACTED, That:

6 (a) The Comptroller shall provide a one-time grant payment to an individual who
7 received unemployment insurance benefits during calendar year 2022 if the individual:

8 (1) was paid the benefits in accordance with Title 8 of the Labor and
9 Employment Article;

10 (2) filed a claim for the benefits during calendar year 2020 or 2021 that
11 was pending a determination of eligibility for at least 30 days before the individual was
12 found to be eligible to receive the benefits; and

13 (3) would have been eligible to claim the subtraction modification
14 authorized under § 10-208(y) of the Tax – General Article had the individual promptly been
15 paid the benefits during calendar year 2020 or 2021.

16 (b) The grant provided under subsection (a) of this section shall be the exact
17 amount of State income taxes withheld or, if an individual elected to not have State income
18 taxes withheld, the exact amount of State income taxes that would have been withheld had
19 the individual elected to do so, from unemployment insurance benefits paid during calendar
20 year 2022.

21 (c) On or before October 1, 2023, the Secretary of Labor shall provide to the
22 Comptroller a list of all individuals who may be eligible for a grant payment under
23 subsection (a) of this section.

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2023.