

Chapter 202

(Senate Bill 519)

AN ACT concerning

Earned Income Tax Credit – Assistance Program Implementation Delay and Study

FOR the purpose of delaying the implementation of the Earned Income Tax Credit Assistance Program until a certain taxable year; requiring the Comptroller’s Office, on or before a certain date, to study and make recommendations regarding outreach efforts to encourage eligible taxpayers to claim the State earned income tax credit; requiring the Department of Service and Civic Innovation to make certain recommendations concerning methods to assist low-income Marylanders with claiming certain credits and obtaining certain assistance; and generally relating to the State earned income tax credit.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 2–116
Annotated Code of Maryland
(2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Chapter 110 of the Acts of the General Assembly of 2022
Section 2

BY repealing and reenacting, with amendments,
Chapter 111 of the Acts of the General Assembly of 2022
Section 2

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

Article – Tax – General

2–116.

(a) In this section, “Program” means the Maryland Earned Income Tax Credit Assistance Program for Low-Income Families.

(b) (1) There is a Maryland Earned Income Tax Credit Assistance Program for Low-Income Families.

(2) The purpose of the Program is to:

(i) identify residents who are eligible to claim the credit under § 10–704 of this article but have failed to claim the credit; and

(ii) provide residents identified under item (i) of this paragraph with a streamlined mechanism to claim the credit under § 10–704 of this article.

(3) The Comptroller shall administer the Program.

(c) (1) This subsection applies to a taxable year beginning after December 31, [2024] **2029**.

(2) Subject to subsection (d) of this section, the Comptroller shall provide, as part of the Program, a form to claim the credit under § 10–704 of this article to any resident:

(i) for whom the Comptroller has received federal income tax return information for a taxable year described in § 13–1104(c)(1) of this article;

(ii) whose wages were reported by the resident’s employer to the Comptroller for that taxable year;

(iii) who the Comptroller determines, based on all available data, may be eligible to claim the credit under § 10–704 of this article for that taxable year;

(iv) who failed to claim the credit under § 10–704 of this article for that taxable year; and

(v) who is authorized to request a refund under § 13–1104(c)(1) of this article.

(3) The Comptroller shall provide the form required under this subsection no later than 45 days before the expiration of the statute of limitations for claiming a refund under § 13–1104(c)(1) of this article.

(d) In processing the form to claim the credit under § 10–704 of this article, the Comptroller shall calculate the credit as though the resident elected to use the standard deduction under § 10–217 of this article to compute Maryland taxable income.

(e) (1) The Comptroller shall notify each resident identified under subsection (c)(2) of this section that the Program is a method of claiming the credit under § 10–704 of this article available to eligible residents.

(2) The notification required under paragraph (1) of this subsection shall include:

(i) a description of the Program;

(ii) an explanation of the resident's eligibility for participation in the Program;

(iii) an explanation that the resident's participation in the Program is optional but subject to the limitation under subsection (d) of this section;

(iv) an explanation that, notwithstanding the provisions of this section, the resident's participation in the Program is subject to the provisions of this article relating to the filing of a tax return;

(v) the time by which the form must be completed and returned in order to claim the credit under § 10-704 of this article; and

(vi) a statement that the resident may be eligible for, in a succeeding taxable year:

1. the federal earned income credit under § 32 of the Internal Revenue Code; and

2. the credit under § 10-704 of this article.

(f) On request by a resident, a tax collector shall waive any penalties or interest on any assessment of tax due on the form provided to the resident under subsection (c)(2) of this section unless the tax collector reasonably believes the resident knew or should have known the tax was miscalculated.

(g) On or before December 31, **[2025] 2030**, and each December 31 thereafter through December 31, **[2030] 2035**, the Comptroller shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly on:

(1) the effectiveness of the Program in meeting the purpose specified in subsection (b)(2) of this section and recommendations for potential statutory or administrative changes to enhance participation in the Program;

(2) the number of claim forms provided to residents during the previous fiscal year;

(3) the number of claim forms filed by residents during the previous fiscal year;

(4) the number of refundable credits provided to residents during the previous fiscal year; and

(5) the total amount of refundable credits provided to residents during the previous fiscal year.

- (h) The Comptroller shall adopt regulations to carry out this section.

Chapter 110 of the Acts of 2022

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022. It shall remain effective for a period of [8] **13** years and 3 months and, at the end of December 31, [2030] **2035**, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Chapter 111 of the Acts of 2022

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022. It shall remain effective for a period of [8] **13** years and 3 months and, at the end of December 31, [2030] **2035**, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Comptroller's Office shall study and make recommendations regarding outreach efforts to encourage eligible taxpayers to claim the State earned income tax credit.

(b) In conducting the study required under subsection (a) of this section, the Comptroller's Office shall:

(1) analyze the effectiveness of practices or forms of outreach in this State and in other states to assist eligible taxpayers to claim the State earned income tax credit;

(2) analyze which Maryland demographic groups have responded well to previous outreach efforts concerning the State earned income tax credit and which have not responded well or remain underserved;

(3) analyze the degree to which and manner in which Maryland's current earned income tax credit outreach efforts are reliant on federal data sharing;

(4) research existing or possible methods to conduct outreach efforts in the absence of federal data sharing;

(5) analyze how Maryland Tax Connect might simplify filing for the State earned income tax credit and encourage more eligible taxpayers to claim the credit;

(6) research changes to the filing process that generally could simplify filing or encourage more eligible taxpayers to claim the credit;

(7) research the potential for privacy risks if the Comptroller's Office and the Internal Revenue Service share data concerning the State earned income tax credit,

including whether the federal government might use the data shared by the Comptroller's Office for the purposes of immigration enforcement;

(8) identify and analyze strategies that are most effective in advising eligible taxpayers who previously filed taxes but failed to claim the State earned income tax credit of their ability to claim the credit in future filing years;

(9) analyze which strategies are most effective in identifying and reaching low-income taxpayers who are not required to file an income tax return and encouraging those taxpayers to file and claim the State earned income tax credit;

(10) analyze opportunities for partnership between the Comptroller's Office and State social service agencies for data sharing, outreach, and enhancing awareness of the State earned income tax credit; and

(11) research whether employers who are required to notify their employees about the State earned income tax credit need additional support or resources from the Comptroller's Office in carrying out that duty.

(c) On or before December 1, 2026, the Comptroller's Office shall submit a report of its findings and recommendations to the General Assembly, in accordance with § 2-1257 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Department of Service and Civic Innovation shall study and make recommendations on how Maryland Corps participants might assist low-income Marylanders with claiming the State earned income tax credit and other family-serving tax credits and government assistance for which they may be eligible.

(b) On or before December 1, 2026, the Department of Service and Civic Innovation shall submit a report on its findings and recommendations to the General Assembly, in accordance with § 2-1257 of the State Government Article.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, April 28, 2026.