

HOUSE BILL 1294

F2, Q3
HB 900/17 – W&M

8lr1430

By: **Delegates Haynes, Anderson, Conaway, Frush, Gibson, McMillan, and Sanchez**

Introduced and read first time: February 9, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Payment of Tuition at a Community College**

3 FOR the purpose of allowing an individual who pays tuition at a community college to claim
4 a credit against the State income tax; prohibiting an individual from claiming the
5 credit under certain circumstances; providing that an individual may not claim a
6 credit greater than a certain amount for any taxable year; providing that any unused
7 credit may not be carried over to any other taxable year; requiring the Comptroller
8 to adopt certain regulations; defining a certain term; providing for the application of
9 this Act; and generally relating to a credit against the State income tax for payment
10 of tuition at a community college.

11 BY adding to
12 Article – Tax – General
13 Section 10–746
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2017 Supplement)

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

18 **Article – Tax – General**

19 **10–746.**

20 **(A) (1) IN THIS SECTION, “TUITION” MEANS THE BASIC INSTRUCTIONAL**
21 **CHARGE FOR COURSES OFFERED AT AN INSTITUTION OF HIGHER EDUCATION.**

22 **(2) “TUITION” INCLUDES ANY FEES FOR:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 **(I) REGISTRATION;**
2 **(II) APPLICATION;**
3 **(III) ADMINISTRATION; AND**
4 **(IV) LABORATORY WORK.**

5 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL WHO**
6 **PAYS TUITION AT A COMMUNITY COLLEGE DURING THE TAXABLE YEAR MAY CLAIM**
7 **A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT OF THE TUITION PAID.**

8 **(C) AN INDIVIDUAL MAY NOT CLAIM THE CREDIT UNDER SUBSECTION (B)**
9 **OF THIS SECTION FOR THE AMOUNT OF TUITION OTHERWISE COVERED BY GRANTS**
10 **OR LOANS.**

11 **(D) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS**
12 **SECTION MAY NOT EXCEED THE LESSER OF:**

13 **(I) THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE**
14 **YEAR; OR**

15 **(II) THE AMOUNT OF TUITION PAID FOR THAT TAXABLE YEAR.**

16 **(2) ANY UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR**
17 **MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

18 **(E) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THE**
19 **PROVISIONS OF THIS SECTION AND TO SPECIFY THE DOCUMENTATION REQUIRED TO**
20 **CLAIM THE TAX CREDIT UNDER THIS SECTION.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.