

Chapter 143

(Senate Bill 22)

AN ACT concerning

Earned Income Tax Credit – Tax Year 2014 – Technical Correction

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

BY repealing and reenacting, without amendments,
 Article – Tax – General
 Section 10–704(a) and (b)(1)
 Annotated Code of Maryland
 (2010 Replacement Volume and 2014 Supplement)

BY repealing and reenacting, with amendments,
 Article – Tax – General
 Section 10–704(b)(2)
 Annotated Code of Maryland
 (2010 Replacement Volume and 2014 Supplement)

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

Article – Tax – General

10–704.

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 12, 2015.