

In subsection (c)(1)(i) of this section, the reference to "allowable" tax is substituted for the former reference to "income tax ... upon such part of his net income ... as is properly subject to taxation in such state", for brevity.

In subsection (c)(2) of this section, the former reference that "the State shall deem" is deleted as surplusage.

In subsection (d)(1) of this section, the defined term "Maryland taxable income" is substituted for the former reference to "net income subject to taxation under this subtitle", for clarity and brevity.

The second sentence of former Art. 81, § 291(a), which prohibited a credit for income that is exempt under another state's law, is deleted as a non sequitur, since if the income is exempt, there is no tax for the credit to be applied against. Similarly, in subsection (b)(3)(ii) of this section, the former requirement that the laws of another state "impose a tax upon the income of its residents subject to taxation in this State" is deleted.

Defined terms: "Individual" § 10-101
 "Maryland taxable income" § 10-101
 "Nonresident" § 10-101 "Resident" § 10-101
 "S corporation" § 10-101 "State" § 1-101
 "State income tax" § 10-101
 "Taxable year" § 10-101

10-704. FOR EARNED INCOME.

(A) CREDIT ALLOWED.

AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE INCOME TAX FOR A TAXABLE YEAR IN THE AMOUNT DETERMINED UNDER SUBSECTION (B) OF THIS SECTION FOR EARNED INCOME.

(B) AMOUNT OF CREDIT.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE CREDIT ALLOWED UNDER SUBSECTION (A) 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) AN INDIVIDUAL WHO FILES AN INCOME TAX RETURN FOR A PERIOD OF LESS THAN 1 YEAR IS ALLOWED FROM THE AMOUNT UNDER PARAGRAPH (1) OF THIS SUBSECTION, A FRACTION: