

~~Annotated Code of Maryland~~~~(1997 Replacement Volume and 1998 Supplement)~~

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

Article - Tax - General

10-208.

(e) The subtraction under subsection (a) of this section includes expenses for household and dependent care services not exceeding the dollar limit allowed under § 21(c) of the Internal Revenue Code and determined without reference to the percentage limitation in § 21(a)(2) of the Internal Revenue Code.

10-712.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(2) "DEPENDENT CARE CREDIT" MEANS THE CREDIT ALLOWED FOR EXPENSES FOR HOUSEHOLD AND DEPENDENT CARE SERVICES UNDER § 21 OF THE INTERNAL REVENUE CODE.~~

~~(3) "QUALIFYING CHILD CARE OR AFTER SCHOOL OPPORTUNITY" MEANS A PROGRAM THAT:~~

~~(I) PROVIDES PRODUCTIVE, SUPERVISED ACTIVITY FOR SCHOOL AGE CHILDREN WHEN THEY ARE NOT IN SCHOOL OR FOR PRE-SCHOOL AGE CHILDREN;~~

~~(II) COMPLIES WITH ALL APPLICABLE STATE LAWS, INCLUDING ALL APPLICABLE LICENSING REGULATIONS, AND~~

~~(III) IS REGULATED OR LICENSED BY THE DEPARTMENT OF HUMAN RESOURCES OR IS APPROVED BY THE DEPARTMENT OF HUMAN RESOURCES AS QUALIFYING FOR THE TAX CREDIT UNDER THIS SECTION.~~

~~(4) "QUALIFYING CHILD" MEANS A DEPENDENT WHO IS UNDER THE AGE OF 18 AND WITH RESPECT TO WHOM THE TAXPAYER IS ENTITLED TO A DEDUCTION UNDER § 151(C) OF THE INTERNAL REVENUE CODE.~~

(2) "FEDERAL CHILD AND DEPENDENT CARE CREDIT" MEANS THE CHILD AND DEPENDENT CARE CREDIT PROPERLY CLAIMED BY AN INDIVIDUAL FOR THE TAXABLE YEAR UNDER § 21 OF THE INTERNAL REVENUE CODE.

~~(5) (3) "QUALIFYING INDIVIDUAL" MEANS A QUALIFYING INDIVIDUAL WITHIN THE MEANING OF § 21(B) OF THE INTERNAL REVENUE CODE.~~

(B) AN INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED ~~\$70,000~~ \$40,000, OR ~~\$35,000~~ \$20,000 IN THE CASE OF A MARRIED INDIVIDUAL FILING A SEPARATE RETURN, MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX AS PROVIDED IN THIS SECTION FOR EXPENSES PAID BY THE