

- (1) 25% OF THE FEDERAL CHILD AND DEPENDENT CARE CREDIT; OR  
 (2) THE STATE INCOME TAX FOR THE TAXABLE YEAR.

~~(E)~~ (D) (1) IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR EXCEEDS ~~\$50,000~~ \$30,000, THE CREDIT OTHERWISE ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY ~~5%~~ 10% FOR EACH \$1,000 OR FRACTION OF \$1,000 BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME EXCEEDS ~~\$50,000~~ \$30,000.

(2) IN THE CASE OF A MARRIED INDIVIDUAL FILING A SEPARATE RETURN, IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR EXCEEDS ~~\$25,000~~ \$15,000, THE CREDIT OTHERWISE ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY ~~5%~~ 10% FOR EACH \$500 OR FRACTION OF \$500 BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME EXCEEDS ~~\$25,000~~ \$15,000.

~~(F)~~ ~~(E)~~ ~~IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER APPLICATION OF THE OTHER CREDITS UNDER THIS SUBTITLE, AN INDIVIDUAL MAY CLAIM A REFUND OF THE EXCESS CREDIT.~~

(G) ~~(F)~~ (E) THE CREDIT ALLOWED UNDER THIS SECTION DOES NOT AFFECT THE TREATMENT UNDER THIS TITLE OF ANY DEDUCTION OR EXCLUSION ALLOWED UNDER THIS TITLE OR ALLOWED FOR FEDERAL INCOME TAX PURPOSES FOR EXPENSES PAID BY THE INDIVIDUAL FOR THE CARE OF A QUALIFYING INDIVIDUAL.

~~10-800.~~

~~If an individual is not required to file an income tax return under § 10-805, [§ 10-806] § 10-806, or § 10-813 of this subtitle, the individual:~~

- (1) ~~is not liable for income tax; and~~  
 (2) ~~may file an income tax return to claim a refund of the income tax withheld or estimated income tax paid or a refund under § 10-704 OR § 10-712 of this title.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Office of the Comptroller shall conduct a study to examine the effectiveness of the tax credit program established under this Act in providing tax credits to individuals in need, including a demographic analysis of the individuals receiving the credits, the cost-effectiveness of the credits in reaching State goals, and the appropriateness of the levels of the tax credits. The Office of the Comptroller shall complete and present the findings of its study, in accordance with § 2-1246 of the State Government Article, to the House Committee on Ways and Means and the Senate Budget and Taxation Committee by July December 1, 2001.