

Section 10-716

Annotated Code of Maryland

(1997 Replacement Volume and 1999 Supplement)

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

Article - Tax - General

10-716.

(a) (1) In this section the following words have the meanings indicated.

(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.

(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 ~~[\$40,000 \$50,000]~~ \$70,000, or ~~[\$20,000 \$25,000]~~ \$35,000 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 individual during the taxable year for the care of a qualifying individual.

(c) Subject to subsection (d) of this section, the credit allowed under this section equals ~~the lesser of:~~

(1) ~~25%~~ ~~100%~~ 35% 32.5% of the federal child and dependent care credit~~;~~

or

(2) the State income tax for the taxable year~~].~~

(d) (1) If an individual's federal adjusted gross income for the taxable year exceeds ~~[\$30,000 \$40,000]~~ \$50,000, the credit otherwise allowed under this section shall be reduced by ~~[10%]~~ 5% for each \$1,000 or fraction of \$1,000 by which the individual's federal adjusted gross income exceeds ~~[\$30,000 \$40,000]~~ \$50,000.

(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 ~~[\$15,000 \$20,000]~~ \$25,000, the credit otherwise allowed under this section shall be reduced by ~~[10%]~~ 5% for each \$500 or fraction of \$500 by which the individual's federal adjusted gross income exceeds ~~[\$15,000 \$20,000]~~ \$25,000.

~~(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.~~