

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 with one or more dependents that may be claimed as exemptions may claim a refund in the amount, if any, by which ~~15%~~ 20% THE APPLICABLE PERCENTAGE SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH of the earned income credit allowable 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. 16% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2000 BUT BEFORE JANUARY 1, 2002;

2. ~~17%~~ 16% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2001 BUT BEFORE JANUARY 1, 2003;

3. 18% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2002 BUT BEFORE JANUARY 1, 2004; AND

4. ~~19%~~ FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2003 BUT BEFORE JANUARY 1, 2005; AND

5. 20% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, ~~2004~~ 2003.

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

(i) the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code multiplied by 10 times the county income tax rate for the taxable year; or