

3. 18% for a taxable year beginning after December 31, 2002 but before January 1, 2004; and

4. 20% for a taxable year beginning after December 31, 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

(ii) the county income tax for the taxable year.

(2) (i) A county may provide, by law, for a refundable county earned income credit as provided in this paragraph ~~for individuals having one or more dependents that may be claimed as exemptions.~~

(ii) If a county provides for a refundable county earned income credit under this paragraph, on or before July 1 prior to the beginning of the first taxable year for which it is applicable, the county shall give the Comptroller notice of the refundable county earned income credit.

(iii) If a county provides for a refundable county earned income credit under this paragraph, an individual ~~with one or more dependents that may be claimed as exemptions~~ may claim a refund of the amount, if any, by which the product of multiplying the credit allowable FOR THE TAXABLE YEAR under § 32 of the Internal Revenue Code by [the applicable number specified in subparagraph (iv) of this paragraph] 5 times the county income tax rate for the taxable year exceeds the county income tax for the taxable year.

(iv) [The applicable number to be multiplied by the county income tax rate for purposes of determining a refund provided under this paragraph is:

1. 3.2 for a taxable year beginning after December 31, 2000 but before January 1, 2002;

2. 3.2 for a taxable year beginning after December 31, 2001 but before January 1, 2003;

3. 3.6 for a taxable year beginning after December 31, 2002 but before January 1, 2004; and