

(iv) "Poverty income standard" means the most recent poverty income guideline published by the United States Department of Health and Human Services, available as of July 1 of the taxable year.

(2) For any eligible low income taxpayer, the subtraction under subsection (a) of this section includes the amount of earned income as defined under § 32(c)(2) of the Internal Revenue Code.]

10-704.

(a) An individual may claim a credit against the income tax for a taxable year in the amount determined under subsection (b) of this section for earned income.

(b) (1) Except as provided in paragraph (2) of this subsection AND SUBJECT TO SUBSECTION (C) OF THIS SECTION, the credit allowed under subsection (a) 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%~~ 10% 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. 10% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1997 BUT BEFORE JANUARY 1, 2000;

2. 12.5% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1999 BUT BEFORE JANUARY 1, 2001; AND

3. 15% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2000.

~~[(2)] (C) An individual who files an income tax return for a period of less than 1 year:~~

~~(1) is allowed from the amount under [paragraph (1) of this subsection] SUBSECTION (B)(1) OF THIS SECTION, a fraction:~~

~~(i) the numerator of which is the number of months that the return covers; and~~

~~(ii) the denominator of which is 12; AND~~