

# HOUSE BILL 252

Q3

2lr0539  
CF SB 369

---

By: **Delegates Palakovich Carr, Lierman, D. Barnes, Ebersole, Feldmark, Patterson, and Washington**

Introduced and read first time: January 13, 2022

Assigned to: Ways and Means

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2022

---

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax – ~~Return Preparation~~ Maryland Earned Income Tax Credit**  
3 **Assistance Program for Low–Income Families**

4 FOR the purpose of establishing the ~~Income Tax Return Preparation~~ Income Tax Credit Assistance Program for Low–Income Families; requiring the  
5 Comptroller, for certain taxable years, to ~~prepare~~ provide, as a part of the Program,  
6 certain ~~income tax returns and amended income tax returns for~~ forms to claim the  
7 Maryland earned income tax credit to certain eligible ~~taxpayers~~ residents; requiring  
8 the Comptroller to provide certain notice to eligible ~~taxpayers~~ residents concerning  
9 the Program; ~~prohibiting~~ requiring a tax collector ~~from assessing a certain penalty~~  
10 to waive certain penalties and interest under certain circumstances; and generally  
11 relating to the ~~Income Tax Return Preparation~~ Income Tax Credit  
12 Assistance Program for Low–Income Families.  
13

14 BY adding to

15 Article – Tax – General

16 Section 2–116

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2021 Supplement)

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

21 **Article – Tax – General**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 2-116.

2 (A) IN THIS SECTION, "PROGRAM" MEANS THE ~~INCOME TAX RETURN~~  
 3 ~~PREPARATION~~ MARYLAND EARNED INCOME TAX CREDIT ASSISTANCE PROGRAM  
 4 FOR LOW-INCOME FAMILIES.

5 (B) (1) ~~THERE IS AN INCOME TAX RETURN PREPARATION A MARYLAND~~  
 6 EARNED INCOME TAX CREDIT ASSISTANCE PROGRAM FOR LOW-INCOME  
 7 FAMILIES.

8 (2) THE PURPOSE OF THE PROGRAM IS TO:

9 (I) ~~PROVIDE ELIGIBLE TAXPAYERS PREPARED INCOME TAX~~  
 10 ~~RETURNS AND AMENDED INCOME TAX RETURNS BY USING DATA ALREADY~~  
 11 ~~COLLECTED BY THE COMPTROLLER FROM REPORTS FROM EMPLOYERS AND OTHER~~  
 12 ~~SOURCES~~ IDENTIFY RESIDENTS WHO ARE ELIGIBLE TO CLAIM THE CREDIT UNDER §  
 13 10-704 OF THIS ARTICLE BUT HAVE FAILED TO CLAIM THE CREDIT; AND

14 (II) ~~ESTABLISH AN OPTIONAL FILING METHOD BY WHICH~~  
 15 ~~ELIGIBLE TAXPAYERS MAY SUBMIT THOSE RETURNS~~ PROVIDE RESIDENTS  
 16 IDENTIFIED UNDER ITEM (I) OF THIS PARAGRAPH WITH A STREAMLINED  
 17 MECHANISM TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE.

18 (3) THE COMPTROLLER SHALL ADMINISTER THE PROGRAM.

19 (C) (1) THIS SUBSECTION APPLIES TO A TAXABLE YEAR BEGINNING  
 20 AFTER DECEMBER 31, 2024.

21 (2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE  
 22 COMPTROLLER SHALL ~~PREPARE~~ PROVIDE, AS PART OF THE PROGRAM, A FORM TO  
 23 CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE TO ANY RESIDENT:

24 (I) ~~A TAX RETURN FOR ANY TAXPAYER:~~

25 1. ~~WHO IS A MARYLAND RESIDENT;~~

26 2. ~~WHO FAILED TO FILE A MARYLAND TAX RETURN FOR~~  
 27 ~~THE MOST RECENT TAXABLE YEAR FOR WHICH DATA IS AVAILABLE~~ FOR WHOM THE  
 28 COMPTROLLER HAS RECEIVED FEDERAL INCOME TAX RETURN INFORMATION FOR A  
 29 TAXABLE YEAR DESCRIBED IN § 13-1104(C)(1) OF THIS ARTICLE;

1 ~~3~~ (II) WHOSE WAGES WERE REPORTED BY THE  
 2 ~~TAXPAYER'S~~ RESIDENT'S EMPLOYER TO THE COMPTROLLER FOR THAT TAXABLE  
 3 YEAR; ~~AND~~

4 ~~4~~ (III) WHO THE COMPTROLLER ~~BELIEVES~~  
 5 DETERMINES, BASED ON ALL AVAILABLE DATA, MAY BE ELIGIBLE TO CLAIM THE  
 6 CREDIT UNDER § 10-704 OF THIS ARTICLE FOR THAT TAXABLE YEAR; ~~AND~~

7 (IV) WHO FAILED TO CLAIM THE CREDIT UNDER § 10-704 OF  
 8 THIS ARTICLE FOR THAT TAXABLE YEAR; AND

9 (V) WHO IS AUTHORIZED TO REQUEST A REFUND UNDER §  
 10 13-1104(C)(1) OF THIS ARTICLE.

11 (3) THE COMPTROLLER SHALL PROVIDE THE FORM REQUIRED  
 12 UNDER THIS SUBSECTION NOT LATER THAN 45 DAYS BEFORE THE EXPIRATION OF  
 13 THE STATUTE OF LIMITATIONS FOR CLAIMING A REFUND UNDER § 13-1104(C)(1) OF  
 14 THIS ARTICLE.

15 ~~(II) AN AMENDED RETURN FOR ANY TAXPAYER WHO IS A~~  
 16 ~~MARYLAND RESIDENT AND WHO THE COMPTROLLER BELIEVES MAY HAVE BEEN~~  
 17 ~~ELIGIBLE TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE FOR THE~~  
 18 ~~CURRENT TAXABLE YEAR OR ANY OF THE 3 IMMEDIATELY PRECEDING TAXABLE~~  
 19 ~~YEARS BUT FAILED TO CLAIM THE CREDIT ON THE TAXPAYER'S RETURN.~~

20 ~~(3) THE COMPTROLLER SHALL USE DATA FROM WAGES REPORTED~~  
 21 ~~BY THE TAXPAYER'S EMPLOYER TO THE COMPTROLLER AND OTHER SOURCES TO~~  
 22 ~~PREPARE THE RETURN IN ACCORDANCE WITH PARAGRAPH (2)(I) OF THIS~~  
 23 ~~SUBSECTION.~~

24 ~~(D) IN PREPARING A RETURN IN ACCORDANCE WITH SUBSECTION (C)(2)(I)~~  
 25 ~~OF THIS SECTION PROCESSING THE FORM TO CLAIM THE CREDIT UNDER § 10-704~~  
 26 ~~OF THIS ARTICLE, THE COMPTROLLER SHALL PREPARE THE RETURN CALCULATE~~  
 27 ~~THE CREDIT AS THOUGH THE TAXPAYER RESIDENT ELECTED TO USE THE STANDARD~~  
 28 ~~DEDUCTION UNDER § 10-217 OF THIS ARTICLE TO COMPUTE MARYLAND TAXABLE~~  
 29 ~~INCOME.~~

30 ~~(E) THE COMPTROLLER SHALL DEVELOP AN ALTERNATIVE METHOD FOR~~  
 31 ~~AN ELIGIBLE TAXPAYER TO REQUEST THE TAXPAYER'S COMPLETED TAX RETURN IN~~  
 32 ~~PAPER FORM.~~

33 ~~(F)~~ (E) (1) THE COMPTROLLER SHALL NOTIFY EACH ~~TAXPAYER WHO~~  
 34 ~~IS ELIGIBLE FOR A TAX RETURN OR AN AMENDED RETURN UNDER~~ RESIDENT  
 35 IDENTIFIED UNDER SUBSECTION (C)(2) OF THIS SECTION THAT THE PROGRAM IS A

1 ~~FILING OPTION~~ METHOD OF CLAIMING THE CREDIT UNDER § 10-704 OF THIS  
2 ARTICLE AVAILABLE TO ELIGIBLE ~~TAXPAYERS~~ RESIDENTS.

3 (2) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS  
4 SUBSECTION SHALL INCLUDE:

5 (I) A DESCRIPTION OF THE PROGRAM;

6 (II) AN EXPLANATION OF THE ~~TAXPAYER'S~~ RESIDENT'S  
7 ELIGIBILITY FOR PARTICIPATION IN THE PROGRAM AND THE TAXPAYER'S ABILITY  
8 TO VIEW OR FILE A TAX RETURN PREPARED FOR THE TAXPAYER UNDER THE  
9 PROGRAM; AND;

10 (III) AN EXPLANATION THAT THE ~~TAXPAYER'S~~ RESIDENT'S  
11 PARTICIPATION IN THE PROGRAM IS OPTIONAL BUT SUBJECT TO THE LIMITATION  
12 UNDER SUBSECTION (D) OF THIS SECTION;

13 (IV) AN EXPLANATION THAT, NOTWITHSTANDING THE  
14 PROVISIONS OF THIS SECTION, THE RESIDENT'S PARTICIPATION IN THE PROGRAM  
15 IS SUBJECT TO THE PROVISIONS OF THIS ARTICLE RELATING TO THE FILING OF A  
16 TAX RETURN;

17 (V) THE TIME BY WHICH THE FORM MUST BE COMPLETED AND  
18 RETURNED IN ORDER TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE; AND

19 (VI) A STATEMENT THAT THE RESIDENT MAY BE ELIGIBLE FOR,  
20 IN A SUCCEEDING TAXABLE YEAR:

21 1. THE FEDERAL EARNED INCOME CREDIT UNDER § 32  
22 OF THE INTERNAL REVENUE CODE; AND

23 2. THE CREDIT UNDER § 10-704 OF THIS ARTICLE.

24 (F) ON REQUEST BY A RESIDENT, A TAX COLLECTOR SHALL WAIVE ANY  
25 PENALTIES OR INTEREST ON ANY ASSESSMENT OF TAX DUE ON THE FORM PROVIDED  
26 TO THE RESIDENT UNDER SUBSECTION (C)(2) OF THIS SECTION UNLESS THE TAX  
27 COLLECTOR REASONABLY BELIEVES THE RESIDENT KNEW OR SHOULD HAVE KNOWN  
28 THE TAX WAS MISCALCULATED.

29 (G) ON OR BEFORE DECEMBER 31, 2025, AND EACH DECEMBER 31  
30 THEREAFTER THROUGH DECEMBER 31, 2030, THE COMPTROLLER SHALL REPORT  
31 TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE  
32 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

1 (1) THE EFFECTIVENESS OF THE PROGRAM IN MEETING THE  
2 PURPOSE SPECIFIED IN SUBSECTION (B)(2) OF THIS SECTION AND  
3 RECOMMENDATIONS FOR POTENTIAL STATUTORY OR ADMINISTRATIVE CHANGES  
4 TO ENHANCE PARTICIPATION IN THE PROGRAM;

5 (2) THE NUMBER OF CLAIM FORMS PROVIDED TO RESIDENTS DURING  
6 THE PREVIOUS FISCAL YEAR;

7 (3) THE NUMBER OF CLAIM FORMS FILED BY RESIDENTS DURING THE  
8 PREVIOUS FISCAL YEAR;

9 (4) THE NUMBER OF REFUNDABLE CREDITS PROVIDED TO RESIDENTS  
10 DURING THE PREVIOUS FISCAL YEAR; AND

11 (5) THE TOTAL AMOUNT OF REFUNDABLE CREDITS PROVIDED TO  
12 RESIDENTS DURING THE PREVIOUS FISCAL YEAR.

13 (H) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THIS  
14 SECTION.

15 ~~(G) IF A TAXPAYER TIMELY FILES A RETURN PREPARED IN ACCORDANCE~~  
16 ~~WITH THIS SECTION, A TAX COLLECTOR MAY NOT ASSESS A PENALTY UNDER §~~  
17 ~~13-701 OF THIS ARTICLE WITH RESPECT TO ANY UNPAID TAX.~~

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2022. It shall remain effective for a period of 8 years and 3 months and, at the  
20 end of December 31, 2030, this Act, with no further action required by the General  
21 Assembly, shall be abrogated and of no further force and effect.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.