

# SENATE BILL 805

Q3

2lr2696  
CF HB 919

---

By: **Senator King**

Introduced and read first time: February 7, 2022

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Child Tax Credit – Alterations and Sunset Extension**

3 FOR the purpose of altering the definition of “qualified child” and income eligibility  
4 requirements for purposes of qualifying for a certain credit against the State income  
5 tax for certain dependent children; repealing a certain provision of law reducing the  
6 amount of the tax credit under certain circumstances; and generally relating to a  
7 credit against the State income tax for dependent children.

8 BY repealing and reenacting, with amendments,

9 Article – Tax – General

10 Section 10–751

11 Annotated Code of Maryland

12 (2016 Replacement Volume and 2021 Supplement)

13 BY adding to

14 Article – Tax – General

15 Section 10–751

16 Annotated Code of Maryland

17 (2016 Replacement Volume and 2021 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Tax – General**

21 10–751.

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

23 (2) “Qualified child” means a dependent of a taxpayer, if the dependent:

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) is a dependent for purposes of § 152 of the Internal Revenue  
2 Code; and

3 (ii) 1. **IS UNDER THE AGE OF 6 YEARS; OR**

4 2. **A.** is under the age of 17 years; and

5 [2.] **B.** is a child with a disability, as defined under § 8–401  
6 of the Education Article.

7 (3) “Taxpayer” means:

8 (i) an individual filing an income tax return; or

9 (ii) a married couple filing a joint income tax return.

10 (b) A taxpayer who has federal adjusted gross income for the taxable year of  
11 **[\$6,000] \$15,000** or less may claim a credit against the State income tax for each qualified  
12 child in an amount equal to \$500.

13 (c) [The amount of the credit allowed under subsection (b) of this section for a  
14 qualified child shall be reduced, but not below zero, by the amount of any federal child tax  
15 credit claimed against the federal income tax for the qualified child under § 24 of the  
16 Internal Revenue Code.

17 (d) If the credit allowed under this section in any taxable year exceeds the State  
18 income tax for that taxable year, the taxpayer may claim a refund in the amount of the  
19 excess.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
21 as follows:

22 **Article – Tax – General**

23 **10–751.**

24 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
25 **INDICATED.**

26 (2) **“QUALIFIED CHILD” MEANS A DEPENDENT OF A TAXPAYER, IF THE**  
27 **DEPENDENT:**

28 (I) **IS A DEPENDENT FOR PURPOSES OF § 152 OF THE INTERNAL**  
29 **REVENUE CODE; AND**

1                   **(II) 1. IS UNDER THE AGE OF 6 YEARS; OR**

2                               **2. A. IS UNDER THE AGE OF 17 YEARS; AND**

3                                       **B. IS A CHILD WITH A DISABILITY, AS DEFINED UNDER §**  
4 **8-401 OF THE EDUCATION ARTICLE.**

5                   **(3) “TAXPAYER” MEANS:**

6                               **(I) AN INDIVIDUAL FILING AN INCOME TAX RETURN; OR**

7                               **(II) A MARRIED COUPLE FILING A JOINT INCOME TAX RETURN.**

8                   **(B) A TAXPAYER WHO HAS FEDERAL ADJUSTED GROSS INCOME FOR THE**  
9 **TAXABLE YEAR OF \$15,000 OR LESS MAY CLAIM A CREDIT AGAINST THE STATE**  
10 **INCOME TAX FOR EACH QUALIFIED CHILD IN AN AMOUNT EQUAL TO \$500.**

11                   **(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**  
12 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE TAXPAYER MAY**  
13 **CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.**

14                   SECTION 3. AND BE IT FURTHER ENACTED, That:

15                   (a) Section 1 of this Act shall be applicable to all taxable years beginning after  
16 December 31, 2021, but before January 1, 2027.

17                   (b) Section 2 of this Act shall be applicable to all taxable years beginning after  
18 December 31, 2022, but before January 1, 2027.

19                   SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
20 effect on the taking effect of the termination provision specified in Section 3 of Chapter 40  
21 of the Acts of the General Assembly of 2021. If that termination provision takes effect,  
22 Section 1 of this Act, with no further action required by the General Assembly, shall be  
23 abrogated and of no further force and effect. This Act may not be interpreted to have any  
24 effect on that termination provision.

25                   SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section  
26 4 of this Act, this Act shall take effect July 1, 2022. It shall remain effective for a period of  
27 5 years and, at the end of June 30, 2027, this Act, with no further action required by the  
28 General Assembly, shall be abrogated and of no further force and effect.