

HOUSE BILL 648

D4

4lr0561
CF SB 390

By: **Delegates Crutchfield, Korman, Love, and Wolek**

Introduced and read first time: January 25, 2024

Assigned to: Judiciary

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2024

CHAPTER _____

1 AN ACT concerning

2 **Family Law – Child Support – Actual Income**

3 FOR the purpose of altering the definition of “actual income” to include ~~taxes paid by a~~
4 ~~parent’s employer or, if the income is nontaxable, the amount of taxes that would be~~
5 ~~paid~~ certain amounts of nontaxable, earned income from an employer that would
6 have been withheld if the income were taxable for purposes of child support
7 calculations; and generally relating to child support.

8 BY repealing and reenacting, without amendments,

9 Article – Family Law

10 Section 12–201(a)

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Family Law

15 Section 12–201(b)

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2023 Supplement)

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

19 That the Laws of Maryland read as follows:

20 **Article – Family Law**

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 12-201.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) (1) "Actual income" means income from any source.

4 (2) For income from self-employment, rent, royalties, proprietorship of a
5 business, or joint ownership of a partnership or closely held corporation, "actual income"
6 means gross receipts minus ordinary and necessary expenses required to produce income.

7 (3) "Actual income" includes:

8 (i) salaries;

9 (ii) wages;

10 (iii) commissions;

11 (iv) bonuses;

12 (v) dividend income;

13 (vi) pension income;

14 (vii) interest income;

15 (viii) trust income;

16 (ix) annuity income;

17 (x) Social Security benefits;

18 (xi) workers' compensation benefits;

19 (xii) unemployment insurance benefits;

20 (xiii) disability insurance benefits;

21 (xiv) for the obligor, any third party payment paid to or for a minor
22 child as a result of the obligor's disability, retirement, or other compensable claim;

23 (xv) alimony or maintenance received; **[and]**

24 (xvi) expense reimbursements or in-kind payments received by a
25 parent in the course of employment, self-employment, or operation of a business to the
26 extent the reimbursements or payments reduce the parent's personal living expenses; **AND**

1 ~~(XVII) TAXES PAID ON A PARENT'S INCOME BY AN EMPLOYER OR,~~
2 ~~IF THE INCOME IS NONTAXABLE, THE AMOUNT OF TAXES THAT WOULD BE PAID IF~~
3 ~~THE~~ FOR A PARENT WITH NONTAXABLE, EARNED INCOME FROM AN EMPLOYER, THE
4 AMOUNT OF FEDERAL, STATE, AND LOCAL TAXES, INCLUDING MEDICARE TAXES
5 AND ANY AMOUNT REQUIRED TO BE WITHHELD UNDER THE FEDERAL INSURANCE
6 CONTRIBUTIONS ACT, THAT WOULD HAVE BEEN WITHHELD IF THE EARNED INCOME
7 WERE TAXABLE.

8 (4) Based on the circumstances of the case, the court may consider the
9 following items as actual income:

- 10 (i) severance pay;
- 11 (ii) capital gains;
- 12 (iii) gifts; or
- 13 (iv) prizes.

14 (5) “Actual income” does not include benefits received from means–tested
15 public assistance programs, including temporary cash assistance, Supplemental Security
16 Income, food stamps, and transitional emergency, medical, and housing assistance.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.