

SENATE BILL 390

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4lr2535
CF 4lr0561

By: **Senator Kelly**

Introduced and read first time: January 18, 2024

Assigned to: Judicial Proceedings

A BILL ENTITLED

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 if the income were taxable for purposes of child support calculations; and
6 generally relating to child support.

7 BY repealing and reenacting, without amendments,
8 Article – Family Law
9 Section 12–201(a)
10 Annotated Code of Maryland
11 (2019 Replacement Volume and 2023 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Family Law
14 Section 12–201(b)
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2023 Supplement)

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

Article – Family Law

19 12–201.

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

21 (b) (1) “Actual income” means income from any source.

22 (2) For income from self–employment, rent, royalties, proprietorship of a
23

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 business, or joint ownership of a partnership or closely held corporation, “actual income”
2 means gross receipts minus ordinary and necessary expenses required to produce income.

3 (3) “Actual income” includes:

4 (i) salaries;

5 (ii) wages;

6 (iii) commissions;

7 (iv) bonuses;

8 (v) dividend income;

9 (vi) pension income;

10 (vii) interest income;

11 (viii) trust income;

12 (ix) annuity income;

13 (x) Social Security benefits;

14 (xi) workers’ compensation benefits;

15 (xii) unemployment insurance benefits;

16 (xiii) disability insurance benefits;

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

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

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

23 **(XVII) TAXES PAID ON A PARENT’S INCOME BY AN EMPLOYER OR,**
24 **IF THE INCOME IS NONTAXABLE, THE AMOUNT OF TAXES THAT WOULD BE PAID IF**
25 **THE INCOME WERE TAXABLE.**

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

1 (i) severance pay;

2 (ii) capital gains;

3 (iii) gifts; or

4 (iv) prizes.

5 (5) "Actual income" does not include benefits received from means-tested
6 public assistance programs, including temporary cash assistance, Supplemental Security
7 Income, food stamps, and transitional emergency, medical, and housing assistance.

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