

SENATE BILL 1105

Q3

4lr3484
CF HB 845

By: **The President (By Request – Office of the Comptroller)**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 29, 2024

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Individual Income Tax Credit Eligibility Awareness Campaign**

3 FOR the purpose of requiring the Comptroller to implement and administer a certain
4 individual income tax credit eligibility awareness campaign to identify and
5 encourage individuals to apply for certain individual income tax credits; authorizing
6 the Comptroller to enter into a certain data sharing agreement with other State
7 agencies to carry out the awareness campaign; requiring, for certain fiscal years, the
8 Governor to include in the annual budget bill an appropriation for the awareness
9 campaign; and generally relating to an individual income tax credit eligibility
10 awareness campaign.

11 BY adding to

12 Article – Tax – General

13 Section 2–116.1

14 Annotated Code of Maryland

15 (2022 Replacement Volume and 2023 Supplement)

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

18 **Article – Tax – General**

19 **2–116.1.**

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 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (2) "AWARENESS CAMPAIGN" MEANS THE INDIVIDUAL INCOME TAX
4 CREDIT ELIGIBILITY AWARENESS CAMPAIGN.

5 (3) (I) "INDIVIDUAL INCOME TAX CREDIT" MEANS AN INCOME TAX
6 CREDIT ESTABLISHED UNDER TITLE 10, SUBTITLE 7 OF THIS ARTICLE THAT MAY BE
7 CLAIMED BY AN INDIVIDUAL TAXPAYER.

8 (II) "INDIVIDUAL INCOME TAX CREDIT" DOES NOT INCLUDE AN
9 INCOME TAX CREDIT ESTABLISHED UNDER TITLE 10, SUBTITLE 7 OF THIS ARTICLE
10 THAT MAY BE CLAIMED BY A BUSINESS ENTITY OR FOR BUSINESS PURPOSES.

11 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
12 COMPTROLLER SHALL IMPLEMENT AND ADMINISTER AN INDIVIDUAL INCOME TAX
13 CREDIT ELIGIBILITY AWARENESS CAMPAIGN TO:

14 (I) IDENTIFY UNDERSERVED INDIVIDUALS WHO:

15 1. MAY BE ELIGIBLE TO CLAIM AN INDIVIDUAL INCOME
16 TAX CREDIT FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2022, BUT
17 BEFORE JANUARY 1, 2030, BUT DO NOT CLAIM THE INDIVIDUAL INCOME TAX CREDIT
18 DURING THAT SAME TAXABLE YEAR; OR

19 2. CAN BE IDENTIFIED THROUGH ANY OTHER MEANS AS
20 BEING ELIGIBLE TO CLAIM AN INDIVIDUAL INCOME TAX CREDIT BUT HAVE FAILED
21 TO CLAIM THE CREDIT; AND

22 (II) ENCOURAGE INDIVIDUALS IDENTIFIED UNDER ITEM (I) OF
23 THIS PARAGRAPH TO APPLY FOR INDIVIDUAL INCOME TAX CREDITS.

24 (2) THE COMPTROLLER MAY DECIDE WHICH INDIVIDUAL INCOME
25 TAX CREDITS AND UNDERSERVED POPULATIONS TO INCLUDE IN THE AWARENESS
26 CAMPAIGN.

27 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IN
28 ADMINISTERING THE AWARENESS CAMPAIGN, THE COMPTROLLER:

29 (I) TO ASSIST IN IDENTIFYING INDIVIDUALS UNDER
30 SUBSECTION (B) OF THIS SECTION, MAY PARTNER WITH OTHER STATE AGENCIES BY
31 ENTERING INTO DATA SHARING AGREEMENTS THAT COMPLY WITH PROPER DATA
32 USE STANDARDS THAT ENSURE AN INDIVIDUAL'S INFORMATION REMAINS SECURE;
33 AND

1 (II) SHALL FOR EACH TAXABLE YEAR:

2 1. UTILIZE ANY INFORMATION:

3 A. PROVIDED TO THE COMPTROLLER BY OTHER STATE
4 AGENCIES UNDER ITEM (I) OF THIS PARAGRAPH; OR

5 B. OBTAINED THROUGH ANY OTHER MEANS; AND

6 2. CONTACT AND INFORM EACH INDIVIDUAL IDENTIFIED
7 UNDER SUBSECTION (B) OF THIS SECTION THAT THE INDIVIDUAL MAY BE ELIGIBLE
8 TO CLAIM AN INDIVIDUAL INCOME TAX CREDIT AND HOW TO APPLY FOR THE CREDIT.

9 (2) FOR A DATA SHARING AGREEMENT ENTERED INTO IN
10 ACCORDANCE WITH PARAGRAPH (1)(I) OF THIS SUBSECTION:

11 (I) INFORMATION MAY NOT BE DISCLOSED IF THE DISCLOSURE
12 IS PROHIBITED BY FEDERAL LAW; AND

13 (II) THE COMPTROLLER MAY NOT USE ANY INFORMATION
14 DISCLOSED FOR A PURPOSE OTHER THAN IDENTIFYING INDIVIDUALS WHO MAY BE
15 ELIGIBLE TO CLAIM AN INDIVIDUAL INCOME TAX CREDIT.

16 (D) ~~FOR FISCAL YEAR 2026 AND EACH FISCAL YEAR THEREAFTER~~ EACH OF
17 FISCAL YEARS 2026 THROUGH 2030, THE GOVERNOR SHALL INCLUDE IN THE
18 ANNUAL BUDGET BILL AN APPROPRIATION OF \$300,000 TO THE AWARENESS
19 CAMPAIGN.

20 (E) ON OR BEFORE DECEMBER 1, 2026, AND EACH DECEMBER 1 EVERY 2
21 YEARS THEREAFTER, THE COMPTROLLER SHALL REPORT TO THE GENERAL
22 ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE,
23 ON THE IMPLEMENTATION AND ADMINISTRATION OF THE AWARENESS CAMPAIGN
24 AND ITS EFFECT ON THE NUMBER OF INDIVIDUALS WHO HAVE CLAIMED INDIVIDUAL
25 INCOME TAX CREDITS.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2024. It shall remain effective for a period of 6 years and 6 months and, at the end of
28 December 31, 2030, this Act, with no further action required by the General Assembly, shall
29 be abrogated and of no further force and effect.