

SB0369/723521/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 369
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Return Preparation**” and substitute “**Maryland Earned Income Tax Credit**”; in lines 3 and 9, in each instance, strike “Income Tax Return Preparation” and substitute “**Maryland Earned Income Tax Credit**”; in line 5, strike “prepare” and substitute “**provide**”; strike beginning with the first “income” in line 5 down through “for” in line 6 and substitute “**forms to claim the Maryland earned income tax credit to**”; in lines 6 and 7, in each instance, strike “taxpayers” and substitute “**residents**”; in line 7, strike “prohibiting” and substitute “**requiring**”; and in line 8, strike “from assessing a certain penalty” and substitute “**to waive certain penalties and interest**”.

AMENDMENT NO. 2

On page 1, in lines 20 and 21, strike “**INCOME TAX RETURN PREPARATION**” and substitute “**MARYLAND EARNED INCOME TAX CREDIT**”; and in line 22, strike “**AN INCOME TAX RETURN PREPARATION**” and substitute “**A MARYLAND EARNED INCOME TAX CREDIT**”.

On page 2, strike beginning with “**PROVIDE**” in line 2 down through “**SOURCES**” in line 5 and substitute “**IDENTIFY RESIDENTS WHO ARE ELIGIBLE TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE BUT HAVE FAILED TO CLAIM THE CREDIT**”; strike beginning with “**ESTABLISH**” in line 6 down through “**RETURNS**” in line 7 and substitute “**PROVIDE RESIDENTS IDENTIFIED UNDER ITEM (I) OF THIS PARAGRAPH WITH A STREAMLINED MECHANISM TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE**”; in line 12, strike “**PREPARE**” and substitute “**PROVIDE**”; in the same line, after “**PROGRAM**” insert “**, A FORM TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE TO ANY RESIDENT**”; strike beginning with “**A**” in line 13

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down through “AVAILABLE” in line 16 and substitute “FOR WHOM THE COMPTROLLER HAS RECEIVED FEDERAL INCOME TAX RETURN INFORMATION FOR A TAXABLE YEAR DESCRIBED IN § 13-1104(C)(1) OF THIS ARTICLE”; in lines 17 and 19, strike “3.” and “4.”, respectively, and substitute “(II)” and “(III)”, respectively; in line 17, strike “TAXPAYER’S” and substitute “RESIDENT’S”; in line 18, strike “AND”; in line 19, strike “BELIEVES” and substitute “DETERMINES, BASED ON ALL AVAILABLE DATA,”; in line 21, strike “AND” and substitute:

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

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

(3) THE COMPTROLLER SHALL PROVIDE THE FORM REQUIRED UNDER THIS SUBSECTION NO LATER THAN 45 DAYS BEFORE THE EXPIRATION OF THE STATUTE OF LIMITATIONS FOR CLAIMING A REFUND UNDER § 13-1104(C)(1) OF THIS ARTICLE.”;

and strike in their entirety lines 22 through 30, inclusive.

On page 3, strike beginning with “PREPARING” in line 1 down through “SECTION” in line 2 and substitute “PROCESSING THE FORM TO CLAIM THE CREDIT UNDER § 10-704 OF THIS ARTICLE”; in line 2, strike “PREPARE THE RETURN” and substitute “CALCULATE THE CREDIT”; in line 3, strike “TAXPAYER” and substitute “RESIDENT”; strike in their entirety lines 5 through 7, inclusive; in line 8, strike “(F)” and substitute “(E)”; strike beginning with “TAXPAYER” in line 8 down through “UNDER” in line 9 and substitute “RESIDENT IDENTIFIED UNDER SUBSECTION (C)(2) OF”; in line 10, strike “FILING OPTION” and substitute “METHOD OF CLAIMING THE CREDIT UNDER § 10-704 OF THIS ARTICLE”; in the same line, strike

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“TAXPAYERS” and substitute “RESIDENTS”; in lines 14 and 17, in each instance, strike “TAXPAYER’S” and substitute “RESIDENT’S”; strike beginning with “AND” in line 15 down through “AND” in line 16 and substitute a semicolon; in line 19, after “SECTION” insert “;

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

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

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

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

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

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

(G) ON OR BEFORE DECEMBER 31, 2026, AND EACH DECEMBER 31 THEREAFTER THROUGH DECEMBER 31, 2030, THE COMPTROLLER SHALL

(Over)

REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

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

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

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

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

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

(H) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION”;

strike in their entirety lines 20 through 22, inclusive; and in line 24, after “2022.” insert “It shall remain effective for a period of 8 years and 3 months and, at the end of December 31, 2030, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.”.