

SENATE BILL 207

Q3

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By: **Senator Watson**

Introduced and read first time: January 20, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Octogenarian Credit**

3 FOR the purpose of authorizing a certain credit against the State income tax for certain
4 taxpayers who are at least a certain age; and generally relating to an income tax
5 credit for taxpayers who are octogenarians.

6 BY adding to
7 Article – Tax – General
8 Section 10–754.1
9 Annotated Code of Maryland
10 (2022 Replacement Volume)

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

13 **Article – Tax – General**

14 **10–754.1.**

15 (A) IN THIS SECTION, “ELIGIBLE TAXPAYER” MEANS A RESIDENT WHO:

16 (1) ON THE LAST DAY OF THE TAXABLE YEAR, IS AT LEAST 80 YEARS
17 OLD; AND

18 (2) HAS FEDERAL ADJUSTED GROSS INCOME NOT EXCEEDING:

19 (I) \$175,000 FOR A TAXPAYER FILING AS AN INDIVIDUAL; OR

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(II) **\$250,000** FOR SPOUSES FILING A JOINT RETURN OR FOR A SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED IN § 2 OF THE INTERNAL REVENUE CODE.

(B) (1) THIS SUBSECTION APPLIES TO AN ELIGIBLE TAXPAYER FILING AS AN INDIVIDUAL OR AS A SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED IN § 2 OF THE INTERNAL REVENUE CODE.

(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO:

(I) 20% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF THE ELIGIBLE TAXPAYER IS 80 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;

(II) 40% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF THE ELIGIBLE TAXPAYER IS 81 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;

(III) 60% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF THE ELIGIBLE TAXPAYER IS 82 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;

(IV) 80% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF THE ELIGIBLE TAXPAYER IS 83 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR; AND

(V) 100% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF THE ELIGIBLE TAXPAYER IS AT LEAST 84 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR.

(C) (1) THIS SUBSECTION APPLIES TO AN ELIGIBLE TAXPAYER FILING A JOINT RETURN.

(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO:

(I) 20% OF THE STATE INCOME TAX FOR AN ELIGIBLE TAXPAYER, IF BOTH SPOUSES ARE AT LEAST 80 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;

(II) 40% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF BOTH SPOUSES ARE AT LEAST 81 YEARS OLD ON THE LAST DAY OF THE TAXABLE YEAR;

1 **(III) 60% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
2 **BOTH SPOUSES ARE AT LEAST 82 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
3 **YEAR;**

4 **(IV) 80% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR, IF**
5 **BOTH SPOUSES ARE AT LEAST 83 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
6 **YEAR; AND**

7 **(V) 100% OF THE STATE INCOME TAX FOR THE TAXABLE YEAR,**
8 **IF BOTH SPOUSES ARE AT LEAST 84 YEARS OLD ON THE LAST DAY OF THE TAXABLE**
9 **YEAR.**

10 **(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**
11 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE UNUSED AMOUNT**
12 **OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2023, and shall be applicable to all taxable years beginning after December 31, 2022.