

HB 458 -- Income Tax: Earned Income Tax Credit

Sponsor: Riback Wilson (25)

This bill allows a state individual income tax credit equal to a percentage of any earned income tax credit claimed by the taxpayer on the federal income tax return. The percentage of the federal credit allowed will be 10% for tax year 2004, 15% for tax year 2005, and 20% for tax year 2006 and thereafter. Any amount of credit which exceeds the taxpayer's liability in any tax year will be refunded to the taxpayer or carried forward into future tax years.

The bill also requires the Department of Revenue to notify potentially eligible taxpayers that they may be able to receive the earned income tax credit.