

HB 1300 -- 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 5% for tax years 2006 and 2007, 10% for tax years 2008 and 2009, and 20% for tax year 2010 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.

The provisions of the bill will expire six years from the effective date.