

HB 774 -- Earned Income Tax Credit

Sponsor: Storch

This bill authorizes a state individual income tax credit equal to a percentage of any earned income tax credit claimed by the taxpayer on his or her 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 years 2010 and thereafter. Any 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 Department of Revenue is required to notify potentially eligible taxpayers that they may be able to receive the tax credit.

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