

(ii) the county income tax for the taxable year.

(2) (i) A county may provide, by law, for a refundable county earned income credit as provided in this paragraph for individuals having one or more dependents that may be claimed as exemptions.

(ii) If a county provides for a refundable county earned income credit under this paragraph, on or before July 1 prior to the beginning of the first taxable year for which it is applicable, the county shall give the Comptroller notice of the refundable county earned income credit.

(iii) If a county provides for a refundable county earned income credit under this paragraph, an individual with one or more dependents that may be claimed as exemptions may claim a refund of the amount, if any, by which the product of multiplying the credit allowable under § 32 of the Internal Revenue Code by [3] 4 THE APPLICABLE NUMBER SPECIFIED IN SUBPARAGRAPH (IV) OF THIS PARAGRAPH times the county income tax rate for the taxable year exceeds the county income tax for the taxable year.

(IV) THE APPLICABLE NUMBER TO BE MULTIPLIED BY THE COUNTY INCOME TAX RATE FOR PURPOSES OF DETERMINING A REFUND PROVIDED UNDER THIS PARAGRAPH IS:

1. ~~3.2%~~ 3.2 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2000 BUT BEFORE JANUARY 1, 2002;

2. ~~3.4%~~ 3.2 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2001 BUT BEFORE JANUARY 1, 2003;

3. ~~3.6%~~ 3.6 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2002 BUT BEFORE JANUARY 1, 2004; AND

4. ~~3.8%~~ FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2003 BUT BEFORE JANUARY 1, 2005; AND

5. ~~4%~~ 4 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2004 2003.

~~(iv)~~ (V) The amount of any refunds payable under a refundable county earned income credit operates to reduce the income tax revenue from individuals attributable to the county income tax for that county.

(d) For an individual who is a nonresident or is a resident of the State for only a part of the year, the amount of the credit or refund allowed under this section shall be determined based on the part of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code that is attributable to Maryland, determined by multiplying the federal earned income credit by a fraction:

(1) the numerator of which is the Maryland adjusted gross income of the individual; and

(2) the denominator of which is the federal adjusted gross income of the individual.