

Earned Income Tax Credit Act

Summary: The Earned Income Tax Credit Act provides low-income workers with a refundable state tax credit based on the federal Earned Income Tax Credit.

SECTION 1. SHORT TITLE

This Act shall be called the "Earned Income Tax Credit Act."

SECTION 2. EARNED INCOME TAX CREDIT

After section XXX, the following new section XXX shall be inserted:

EARNED INCOME TAX CREDIT

1. A taxpayer shall be allowed a tax credit equal to 20 percent of the earned income credit allowed under section 32 of the federal Internal Revenue Code.
2. If the credit exceeds tax owed, the [Tax Commissioner] shall treat such excess as an overpayment, and shall pay the taxpayer, without interest, the amount of such excess.
3. In the case of a married couple who file their state tax returns separately, the credit allowed may be applied against the tax of either, or divided between them, as they elect.
4. The [Tax Commissioner] shall make efforts every year to inform taxpayers who may be eligible to receive the credit.

SECTION 3. EFFECTIVE DATE

This Act shall take effect for taxable years beginning on or after January 1, 2009.