Engage PEO Client Alert: Maryland

2023 Maryland Earned Income Tax Credit

The following information is from the state of Maryland.

Did you know that federal and Maryland earned income tax credits are available to certain low-income individuals and families?

These credits can reduce the amount of income tax you owe or increase your income tax refund; and you may qualify to receive some of these credits even if you did not earn enough income to be required to file a tax return.

2023 Maryland Earned Income Tax Credit (EITC)

Maryland's EITC is a tax credit for certain taxpayers who have income and have worked. The state EITC reduces the amount of Maryland tax you owe. The local EITC reduces the amount of county tax you owe. Some taxpayers may even qualify for a refundable Maryland EITC. Refundable means that any amount of the credit beyond your tax liability will be refunded directly to you.

Most taxpayers who are eligible and file for a federal EITC can receive the Maryland state and local EITC. Taxpayers who do not qualify for the federal EITC because they do not have a social security number still qualify for the Maryland EITC if they have an ITIN. The allowable Maryland credit is up to one-half of the federal credit. To be eligible for the federal and Maryland EITC, your federal adjusted gross income and your earned income must be less than the following:

Children or Relatives Claimed	Filing as Single, Head of Household, or Widowed	Filed as Married Filing Jointly
Zero	$17,640	$24,210
One	$46,560	$53,120
Two	$52,918	$59,478
Three	$56,838	$63,398

Generally, to receive the Maryland EITC, you must be eligible for the federal credit. However, if you do not meet the minimum age requirement under the federal credit and are otherwise eligible for the federal credit for those without a qualifying child, or if you are otherwise eligible for the federal credit but do not have a social security number (SSN), you may claim the state earned income tax credit (calculate federal earned income credit disregarding the minimum age or SSN requirement). If your income is less than the amounts shown in this notice, visit the Internal Revenue Service Web site at **irs.gov**, or contact a tax advisor, to learn if you meet the other requirements. You also may be entitled to a refundable Maryland EITC and a local EITC.

If you are a part-year resident, you may be entitled to a prorated share of the credit, if you have Maryland income. Nonresidents are not eligible for the Maryland credit.

For more information about the Maryland EITC, visit our Web site at **marylandtaxes.gov** or call 1- 800- MD-TAXES (1-800-638-2937) or from Central Maryland 410-260-7980.

2023 Federal Earned Income Tax Credit (EITC)

For more information about the federal EITC, visit:

https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit-eitc

or call the IRS at 1-800-829-1040.