

The Family Assistance and Incentives Reform (“FAIR”) Act

AN ACT providing a tax credit to encourage marriage and family formation by married couples.

Be it enacted by the Legislature of the State of [State]:

Sec. 1. Tax credit for married families with children.

(a) The provisions of this section shall apply to income taxes calculated for calendar year 2022 and thereafter.

(b) If two taxpayers who are United States citizens residing in the State of *[State]* have been married for at least one year and are filing an income tax return jointly, they shall be entitled to a credit against their income tax liability for each of their children, the total amount of which shall be calculated as follows:

(1) For the first child, five hundred dollars (\$500);

(2) For the second child, five hundred dollars (\$500);

(3) For the third child and each additional child, three hundred dollars (\$300).

(c) The tax credit described in subsection (b) of this section shall only apply if the child is the child by birth or by adoption of one or both spouses and if the age of the child on January 1 of the applicable tax year is twenty-one (21) years or younger.

(d) If the total credit described in subsection (b) exceeds the total income tax liability of the married taxpayers filing jointly, the excess amount shall be paid by the *[State Department of Revenue]* to the taxpayers.

(e) If the married taxpayers filing jointly have no income tax liability, the total credit described in subsection (b) of this section shall be paid by the *[State Department of Revenue]* to the taxpayers.

(f) If married residents of *[State]* have no taxable income or insufficient taxable income during the applicable calendar year such that the married residents do not any file income tax return, such married residents shall nonetheless be eligible for this tax credit.

(f) The tax credit described in subsection (b) of this section shall be applied using such forms as the *[State Department of Revenue]* may prescribe for such purpose. Married taxpayers filing income tax returns jointly shall be eligible for the tax credit described in subsection (b) of this section regardless of whether or not they file an itemized tax return. Married residents of *[State]* who have no taxable income or insufficient taxable income during the applicable calendar year such that the married residents do not any file income tax return shall be eligible for the tax credit described in subsection (b) of this section using such forms as the *[State Department of Revenue]* may prescribe for such purpose.

(g) The *[State Department of Revenue]* shall spend a minimum of one hundred thousand dollars (\$100,000) and a maximum of four hundred thousand dollars (\$400,000) per fiscal year advertising the availability of the tax credit described in subsection (b) of this section to residents of *[State]*, using print, radio, television, social, or other media.

Sec. 2. Severability.

If any provision of this act is held to be unconstitutional under the United States Constitution or the *[State]* constitution, that provision shall be severed from the act, and the other provisions of this act shall remain valid and in effect.