

HOUSE BILL 590

Unofficial Copy
Q1

2000 Regular Session
(01r2082)

ENROLLED BILL

-- *Ways and Means/Budget and Taxation* --

Introduced by ~~Delegate C. Davis~~ Delegates C. Davis, Bartlett, Bohanan, Bozman, Carlson, Conroy, Cryor, Finifter, Healey, Heller, Hixson, Howard, Marriott, McKee, Patterson, Phillips, Ports, Rosso, Rudolph, Rzepkowski, and Shriver

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER 394

1 AN ACT concerning

2 **Homeowners' Property Tax Credit - Home Purchaser Applications**

3 FOR the purpose of authorizing home purchasers to apply for a homeowners' property
4 tax credit after the execution of a contract of sale of the dwelling; requiring a
5 home purchaser applying for the tax credit to apply within a certain period and
6 provide the Department with certain executed documents; requiring the
7 Department to develop certain regulations; authorizing the Department to
8 determine the amount of the tax credit that a home purchaser applying for the
9 tax credit may receive; requiring the Department to provide a home purchaser
10 applying for the tax credit with written notice of certain decisions; providing
11 that a home purchaser applying for the tax credit may use the credit to alter tax
12 liability under certain circumstances; providing for the application of this Act;
13 and generally relating to eligibility for a homeowners' property tax credit.

14 BY renumbering

1 Article - Tax - Property
 2 Section 9-104(p) and (q), respectively
 3 to be ~~(q)~~ 9-104(q) and (r), respectively
 4 Annotated Code of Maryland
 5 (1994 Replacement Volume and 1999 Supplement)

6 BY repealing and reenacting, without amendments,
 7 Article - Tax - Property
 8 Section 9-104(g-1)
 9 Annotated Code of Maryland
 10 (1994 Replacement Volume and 1999 Supplement)

11 BY repealing and reenacting, with amendments,
 12 Article - Tax - Property
 13 Section 9-104(k-1)
 14 Annotated Code of Maryland
 15 (1994 Replacement Volume and 1999 Supplement)

16 BY adding to
 17 Article - Tax - Property
 18 Section 9-104(p)
 19 Annotated Code of Maryland
 20 (1994 Replacement Volume and 1999 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 22 MARYLAND, That Section(s) 9-104 (p) and (q), respectively, of Article - Tax -
 23 Property of the Annotated Code of Maryland be renumbered to be Section(s) 9-104 (q)
 24 and (r), respectively.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 26 read as follows:

27 **Article - Tax - Property**

28 9-104.

29 (g-1) For home purchasers, the property tax credit is the amount of the credit as
 30 calculated under subsection (g) of this section multiplied by a fraction, where:

31 (1) the numerator of the fraction is the number of days in the fiscal year
 32 that the home purchaser actually occupies or expects to actually occupy a dwelling in
 33 which the home purchaser has a legal interest; and

34 (2) the denominator is 365 days.

1 (k-1) (1) A home purchaser may apply to the Department for a property tax
 2 credit under this section after THE EXECUTION OF A CONTRACT OF SALE ON THE
 3 DWELLING OR settlement on the dwelling by filing an application on the form that the
 4 Department provides.

5 (2) The home purchaser shall state under oath that the facts in the
 6 application are true.

7 (3) To substantiate the application, the Department may require the
 8 applicant to provide a copy of an income tax return, or other evidence detailing gross
 9 income or net worth.

10 (4) IF THE HOME PURCHASER FILES AN APPLICATION FOR A CREDIT
 11 UNDER THIS SECTION PRIOR TO SETTLEMENT, ~~THE DEPARTMENT:~~ THE PURCHASER
 12 MUST FILE THIS APPLICATION WITHIN 5 7 WORKING DAYS AFTER THE EXECUTION
 13 OF A CONTRACT OF SALE.

14 (5) UPON RECEIPT OF AN APPLICATION PRIOR TO SETTLEMENT, THE
 15 DEPARTMENT:

16 (I) MAY FURTHER REQUIRE THE APPLICANT TO PROVIDE A COPY
 17 OF THE EXECUTED SALE AGREEMENT;

18 (II) SHALL DETERMINE THE AMOUNT, IF ANY, OF THE CREDIT FOR
 19 WHICH THE HOME PURCHASER IS ELIGIBLE UNDER THIS SECTION; AND

20 (III) SHALL NOTIFY THE HOME PURCHASER IN WRITING OF ITS
 21 DECISION WITHIN 5 WORKING DAYS FROM RECEIPT OF THE APPLICATION.

22 (6) THE DEPARTMENT SHALL ADOPT REGULATIONS GOVERNING THE
 23 APPLICATION FOR AND GRANTING OF A CREDIT BEFORE SETTLEMENT AS PROVIDED
 24 UNDER THIS SECTION.

25 ~~(5)~~ (7) On certification by the Department, the Comptroller shall pay
 26 to the home purchaser the property tax credit due under this section UNLESS THE
 27 CREDIT WAS USED TO ADJUST THE HOME PURCHASER'S FINAL TAX LIABILITY PAID
 28 AT SETTLEMENT UNDER SUBSECTION (P) OF THIS SECTION.

29 (P) THE FINAL TAX LIABILITY OF A HOME PURCHASER DUE AT SETTLEMENT
 30 SHALL BE ADJUSTED TO REFLECT ANY CREDIT CERTIFIED BY THE DEPARTMENT.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 32 ~~July 1~~ June 1, 2000 and shall be applicable to tax credits for all taxable years
 33 beginning after June 30, ~~2001~~ 2000.

