SENATE BILL 354

Q1 4lr1920

By: Senator Muse

Introduced and read first time: January 22, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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Maryland Renters Tax Credit Program

- FOR the purpose of altering the calculation of certain property tax relief provided to 3 4 certain renters by altering the percent of rent used to determine the amount of 5 assumed property tax and altering the calculation of combined income of a 6 renter; increasing the maximum amount of property tax relief that may be 7 provided; requiring the State Department of Assessments and Taxation to 8 establish a certain marketing campaign; requiring the Department to report to 9 the General Assembly on certain matters on or before a certain date; and generally relating to the renters property tax credit relief program. 10
- 11 BY repealing and reenacting, with amendments,
- 12 Article Tax Property
- 13 Section 9–102
- 14 Annotated Code of Maryland
- 15 (2012 Replacement Volume and 2013 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
- 18 Article Tax Property
- 19 9–102.
- 20 (a) (1) In this section the following words have the meanings indicated.
- 21 (2) (i) "Assets" include:
- 22 1. real property;
- 23 2. cash;



1			3.	savings accounts;
2			4.	stocks;
3			5.	bonds; and
4			6.	any other investment.
5		(ii)	"Asse	ts" do not include:
6 7	of the renter; or		1.	the cash value of the life insurance policies on the life
8			2.	tangible personal property.
9	(3)	"Assu	ımed re	eal property tax" means:
10 11	calendar year; or	(i)	[15%]	$oxed{25\%}$ of the occupancy rent paid by a renter during the
12 13	calendar year plus	(ii) any ta		25 % of the occupancy rent paid by a renter during the under § 20–501 of the Local Government Article.
14 15	(4) individuals who ac			income" means the combined gross income of all in a dwelling except an individual who:
16 17	Revenue Code; or	(i)	is a	dependent of the renter under § 152 of the Internal
18		(ii)	pays a	a reasonable amount for rent or room and board.
19 20	(5) residence of a rent	(i) er.	"Dwe	lling" means a rental unit that is the principal
21 22	principal residence	(ii) e of the		lling" includes a mobile home pad on which the rests.
23 24 25			immed	s income" means the total income from all sources for iately precedes the taxable year, whether or not the tion of gross income for federal or State tax purposes.
26		(ii)	"Gros	s income" includes:
27 28	Railroad Retireme	nt Act	1. ;	any benefit under the Social Security Act or the

1		2.	the aggregate of gifts over \$300;	
2		3.	alimony;	
3		4.	support money;	
4		5.	any nontaxable strike benefit;	
5		6.	public assistance received in a cash grant;	
6		7.	a pension;	
7		8.	an annuity;	
8		9.	any unemployment insurance benefit;	
9		10.	any workers' compensation benefit; and	
10 11	other endeavor.	11.	the net income received from a business, rental, or	
12	(iii)	"Gro	ss income" does not include:	
13 14 15	federal government, inc	1. cluding	any income tax refund received from the State or any refundable portion of the federal earned income tax	
16		2.	any loss from business, rental, or other endeavor.	
17 18	(7) "Nerassets, less any outstan		n" means the sum of the current market value of all ability.	
19 20 21	dwelling less the reason	nable v	y rent" means the rent paid for the right to occupy a alue of the utilities or furnishings or both if the utilities both are included in the rent.	
22 23 24	(9) "Renter" means an individual, who during the calendar year for which the property tax relief under this section is sought, actually occupies a dwelling in which the individual has a leasehold interest and who:			
25	(i)	is at	least 60 years old;	
26 27	(ii) qualified for benefits ur		been found permanently and totally disabled and has	
28		1.	the Social Security Act;	

1	2. the Railroad Retirement Act;
2 3	3. any federal act for members of the United States armed forces; or
4	4. any federal retirement system;
5 6	(iii) has been found permanently and totally disabled by a county health officer or the Baltimore City Commissioner of Health; or
7	(iv) is under the age of 60 years and:
8 9 10	1. has gross income below the poverty threshold that is established by the U.S. Department of Commerce, Bureau of the Census in August of the previous calendar year;
11	2. has 1 or more dependent children under 18 years old living with the renter; and
13 14	3. does not receive federal or State housing subsidies or reside in public housing.
15	(b) There is a property tax relief program for any renter.
16 17	(c) The Department shall adopt regulations necessary to carry out this section.
18	(d) (1) The Department shall:
19 20	(I) give to each renter notice of possible property tax relief under this section; AND
21 22	(II) ESTABLISH A MARKETING CAMPAIGN TO PROMOTE THE USE OF THE PROPERTY TAX RELIEF PROGRAM UNDER THIS SECTION.
23 24 25 26	(2) The Comptroller shall provide in each package of income tax forms and instructions notice of the availability of a property tax credit under this section. Such notice shall be similar in every way to that provided homeowners in § 9–104(f) of this subtitle.
27 28	(3) THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT APTICLE ON THE PROMOTION OF THE PROPERTY TAX BELIEF PROCESSM LINDER

PARAGRAPH (1) OF THIS SUBSECTION.

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1 2 3	(e) If a dwelling is not actually occupied or expected to be occupied by the renter for 6 months or more of the calendar year, the dwelling is not a principal residence.				
4 5 6 7	Department for th	(f) (1) On or before September 1 of the year following the calendar year which property tax relief under this section is sought, a renter may apply to the partment for the property tax relief. The application shall be made on the form that a Department provides.			
8 9 10		For good cause, the Department may accept an application from a mber 1 but on or before October 31 of the year following the calendar perty tax relief under this section is sought.			
11 12	(3) application are tru	The renter shall state under oath that the statements in the ae.			
13 14 15	(4) To substantiate the application, the applicant may be required to provide a copy of an income tax return, or other evidence detailing gross income or net worth.				
16 17 18	(g) Notwithstanding § 13–202 of the Tax – General Article, to verify the income stated in an application, the Comptroller shall give the Department the information required.				
19 20 21	(h) (1) is the assumed proof the renter.	The property tax relief that a renter may receive under this section perty tax on real property less a percentage of the combined income			
22	(2)	The percentage is:			
23		(i) 0% of the 1st [\$4,000] \$8,000 of combined income;			
24		(ii) 2.5% of the 2nd [\$4,000] \$8,000 of combined income;			
25		(iii) 5.5% of the 3rd [\$4,000] \$8,000 of combined income;			
26		(iv) 7.5% of the 4th [\$4,000] \$8,000 of combined income; and			
27		(v) 9% of the combined income over [\$16,000] \$32,000 .			
28	(i) The p	roperty tax relief under this section may not be:			
29	(1)	more than [\$750] \$1,500 ;			
30 31	(2) as of December 31	granted to any renter whose combined net worth exceeds \$200,000 of the calendar year for which the property tax relief is sought;			

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$\frac{1}{2}$	and (3)	granted to any renter whose dwelling is exempt from property tax;
3	(4)	granted if the credit under this section is less than \$1 in any year.
4	(j) (1)	The Department shall:
5		(i) process applications upon receipt;
6 7	section due each r	(ii) certify to the Comptroller the property tax relief under this center; and
8 9	paragraph no less	(iii) make the certifications required under item (ii) of this frequently than each month.
10 11	(2) the certification for	The Comptroller shall pay the amount to the renter upon receipt of rom the Department.
12 13	SECTION : July 1, 2014.	2. AND BE IT FURTHER ENACTED, That this Act shall take effect