

SENATE BILL 407

Q1

7lr2773
CF 7lr2772

By: **Senator Peters**

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners' Property Tax Credit – Eligibility – Cost-of-Living Adjustment**

3 FOR the purpose of altering, for the purpose of determining eligibility for a certain
4 homeowners' property tax credit, a certain limitation on a homeowner's gross income
5 amount for certain taxable years based on a certain cost-of-living adjustment
6 percentage; requiring the State Department of Assessments and Taxation to
7 determine a certain cost-of-living adjustment percentage by a certain date each year
8 based on a certain amount of the increase in a certain consumer price index for a
9 certain period; and generally relating to a certain homeowners' property tax credit.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – Property
12 Section 9–104(j)
13 Annotated Code of Maryland
14 (2012 Replacement Volume and 2016 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Tax – Property**

18 9–104.

19 (j) (1) A property tax credit under this section may not be granted to a
20 homeowner whose combined net worth exceeds \$200,000 as of December 31 of the calendar
21 year that precedes the year in which the homeowner applies for the property tax credit or
22 whose combined gross income exceeds \$60,000 in that same calendar year.

23 (2) **(I) FOR PROPERTY TAX CREDITS GRANTED FOR EACH TAXABLE**
24 **YEAR BEGINNING AFTER JUNE 30, 2018, THE COMBINED GROSS INCOME**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 LIMITATION AMOUNT SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE
2 INCREASED BY THE COST-OF-LIVING ADJUSTMENT PERCENTAGE AS DETERMINED
3 UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

4 (II) ON OR BEFORE OCTOBER 1, 2017, AND OCTOBER 1 EACH
5 YEAR THEREAFTER, THE DEPARTMENT SHALL DETERMINE THE COST-OF-LIVING
6 ADJUSTMENT PERCENTAGE TO BE APPLIED FOR CREDITS GRANTED FOR THE NEXT
7 TAXABLE YEAR BASED ON ONE-HALF OF THE INCREASE OF THE CONSUMER PRICE
8 INDEX FOR ALL URBAN CONSUMERS IN THE WASHINGTON AND BALTIMORE
9 REGION FOR THE MONTH OF MAY OF THAT YEAR OVER THE MONTH OF MAY OF THE
10 PRECEDING YEAR.

11 (III) IF ANY INCREASE DETERMINED UNDER SUBPARAGRAPH (II)
12 OF THIS PARAGRAPH IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED
13 DOWN TO THE NEXT-LOWEST MULTIPLE OF \$50.

14 (3) If a property tax credit under this section is less than \$1 in any taxable
15 year, the credit may not be granted.

16 [(3)] (4) A homeowner may claim a property tax credit under this section
17 for only 1 dwelling.

18 [(4)] (5) Except as provided in subsection (u) of this section, if a property
19 tax credit is issued under this section, the credit or a voucher for a credit may be used only
20 in the taxable year in which it was issued or the next succeeding taxable year. However, a
21 homeowner whose dwelling is sold for taxes may receive the credit until the final decree
22 under § 14-844 of this article is entered.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2017.