

HOUSE BILL 38

Q1

8lr0930

(PRE-FILED)

By: **Delegate Carr**

Requested: October 23, 2017

Introduced and read first time: January 10, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homeowners’ Property Tax Credit – Definition of Total Real**
3 **Property Tax**

4 FOR the purpose of altering the definition of “total real property tax” for purposes of the
5 computation of a certain homeowners’ property tax credit; providing for the
6 application of this Act; and generally relating to the homeowners’ property tax credit.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – Property

9 Section 9–104(a)(1) and (g)

10 Annotated Code of Maryland

11 (2012 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – Property

14 Section 9–104(a)(13)

15 Annotated Code of Maryland

16 (2012 Replacement Volume and 2017 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Tax – Property**

20 9–104.

21 (a) (1) In this section the following words have the meanings indicated.

22 (13) **(I)** “Total real property tax” means the product of the sum of all

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 property tax rates on real property, including special district tax rates, for the taxable year
2 on a dwelling, multiplied by the lesser of:

3 [(i)] 1. **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
4 **PARAGRAPH, \$300,000; or**

5 [(ii)] 2. the assessed value of the dwelling reduced by the amount
6 of any assessment on which a property tax credit is granted under § 9–105 of this subtitle.

7 **(II) FOR A DWELLING THAT HAS BEEN OWNED AND OCCUPIED**
8 **BY THE HOMEOWNER FOR AT LEAST 20 YEARS, THE AMOUNT TO BE USED UNDER**
9 **SUBPARAGRAPH (I)1 OF THIS PARAGRAPH IS \$300,000 PLUS AN ADDITIONAL**
10 **\$10,000 FOR EACH YEAR OWNED AND OCCUPIED IN EXCESS OF 20 YEARS.**

11 (g) (1) Except as provided in subsection (h) of this section, the property tax
12 credit under this section is the total real property tax of a dwelling, less the percentage of
13 the combined income of the homeowner that is described in paragraph (2) of this subsection.

14 (2) The percentage is:

15 (i) 0% of the 1st \$8,000 of combined income;

16 (ii) 4% of the next \$4,000 of combined income;

17 (iii) 6.5% of the next \$4,000 of combined income; and

18 (iv) 9% of the combined income over \$16,000.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
20 1, 2018, and shall be applicable to tax credits for all taxable years beginning after June 30,
21 2018.