

# HOUSE BILL 1414

Q1

2lr3124  
CF SB 153

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By: **Delegate Kipke**

Introduced and read first time: February 17, 2022

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homeowners’ Property Tax Credit – Definition of Gross Income**

3 FOR the purpose of altering eligibility for the homeowners’ property tax credit by excluding  
4 from the definition of “gross income” certain medical and elder care expenses  
5 incurred by the homeowner; and generally relating to the homeowners’ property tax  
6 credit.

7 BY repealing and reenacting, without amendments,  
8 Article – Tax – Property  
9 Section 9–104(a)(1) and (3), (f), (g), (h), and (j)(1)  
10 Annotated Code of Maryland  
11 (2019 Replacement Volume and 2021 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Tax – Property  
14 Section 9–104(a)(8)  
15 Annotated Code of Maryland  
16 (2019 Replacement Volume and 2021 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 (3) “Combined income” means the combined gross income of all individuals  
23 who actually reside in a dwelling except an individual who:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) is a dependent of the homeowner under § 152 of the Internal  
2 Revenue Code; or

3 (ii) pays a reasonable amount for rent or room and board.

4 (8) (i) “Gross income” means the total income from all sources for the  
5 calendar year that immediately precedes the taxable year, whether or not the income is  
6 included in the definition of gross income for federal or State tax purposes, **LESS THE**  
7 **FOLLOWING DOCUMENTED EXPENSES INCURRED BY THE HOMEOWNER FOR:**

8 1. **MEDICAL CARE;**

9 2. **CONTINUING CARE, AS DEFINED UNDER § 10-401 OF**  
10 **THE HUMAN SERVICES ARTICLE;**

11 3. **CARE PROVIDED BY AN ASSISTED LIVING PROGRAM,**  
12 **AS DEFINED UNDER § 19-1801 OF THE HEALTH – GENERAL ARTICLE; AND**

13 4. **CARE PROVIDED BY A NURSING HOME, AS DEFINED**  
14 **UNDER § 19-1401 OF THE HEALTH – GENERAL ARTICLE.**

15 (ii) “Gross income” includes:

16 1. any benefit under the Social Security Act or the Railroad  
17 Retirement Act;

18 2. the aggregate of gifts over \$300;

19 3. alimony;

20 4. support money;

21 5. any nontaxable strike benefit;

22 6. public assistance received in a cash grant;

23 7. a pension;

24 8. an annuity;

25 9. any unemployment insurance benefit;

26 10. any workers’ compensation benefit;

27 11. the net income received from a business, rental, or other  
28 endeavor;

1                   12. any withdrawal, payment, or distribution from an  
2 individual retirement account;

3                   13. any withdrawal, payment, or distribution from any  
4 qualified retirement savings plan; and

5                   14. any rent on the dwelling, including the rent from a room  
6 or apartment.

7                   (iii) "Gross income" does not include:

8                   1. any income tax refund received from the State or federal  
9 government; or

10                   2. any loss from business, rental, or other endeavor.

11           (f) A homeowner who meets the requirements of this section shall be granted the  
12 property tax credit under this section against the property tax imposed on the real property  
13 of the dwelling.

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

17                   (2) The percentage is:

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

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

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

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

22           (h) For home purchasers, the property tax credit is the amount of the credit as  
23 calculated under subsection (g) of this section multiplied by a fraction, where:

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

27                   (2) the denominator is 365 days.

28           (j) (1) A property tax credit under this section may not be granted to a  
29 homeowner whose combined net worth exceeds \$200,000 as of December 31 of the calendar

1 year that precedes the year in which the homeowner applies for the property tax credit or  
2 whose combined gross income exceeds \$60,000 in that same calendar year.

3           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
4 1, 2022, and shall be applicable to all taxable years beginning after June 30, 2022.