
By: Senators Amoss and Hoffman

Introduced and read first time: January 18, 1996

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 27, 1996

CHAPTER ____

1 AN ACT concerning

2 **Homestead Property Tax Credit - Homestead Credit Percentage**

3 FOR the purpose of ~~repealing the authority of a county or municipal corporation to set a~~
4 ~~homestead credit percentage below a certain percent of the taxable assessment~~
5 modifying the homestead credit percentage for counties and municipal corporations
6 if a homestead credit percentage has not been set by a certain date;repealing a
7 requirement that a county must set a homestead credit percentage; providing for the
8 applicability of this Act; and generally relating to the homestead credit percentage
9 used to compute the homestead property tax credit.

10 BY repealing and reenacting, with amendments,

11 Article - Tax - Property

12 Section 9-105(e)

13 Annotated Code of Maryland

14 (1994 Replacement Volume and 1995 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Tax - Property**

18 9-105.

19 (e) (1) For each taxable year, the property tax credit under this section is
20 calculated by:

21 (i) multiplying the prior year's taxable assessment by the homestead
22 credit percentage as provided under paragraph (2) of this subsection;

23 (ii) subtracting that amount from the current year's assessment; and

2

1 (iii) if the difference is a positive number, multiplying the difference by
2 the applicable State, county, or municipal corporation property tax rate for the current
3 year.

4 (2) For each taxable year, the homestead credit percentage under paragraph
5 (1)(i) of this subsection is:

6 (i) for the State, ~~COUNTY, OR MUNICIPAL CORPORATION~~ property
7 tax, 110%;

8 (ii) for the county property tax:

9 1. the homestead credit percentage established by the county
10 under paragraph (3) of this subsection; or

11 2. if the county has not set a percentage for the taxable year
12 under paragraph (3) of this subsection or has not notified the Department as required
13 under paragraph (6) of this subsection, ~~the homestead credit percentage in effect for the~~
14 ~~county for the preceding taxable year~~ 110%; and

15 (iii) for the municipal corporation property tax:

16 1. the homestead credit percentage established by the
17 municipal corporation under paragraph (4) of this subsection; or

18 2. if the municipal corporation has not set a percentage under
19 paragraph (4) of this subsection or has not notified the Department as required under
20 paragraph (7) of this subsection, ~~the homestead credit percentage for the taxable year for~~
21 ~~the county in which the property is located~~ 110%.

22 (3) Subject to paragraph (5) of this subsection, the Mayor and City Council
23 of Baltimore City and the governing body of a county on or before November 15 of any
24 year ~~shall~~ MAY set, by law, the homestead credit percentage for the taxable year
25 beginning the following July 1.

26 (4) Subject to paragraph (5) of this subsection, on or before November 25 of
27 any year, the governing body of a municipal corporation may set or alter, by law, a
28 homestead credit percentage for the taxable year beginning the following July 1 and any
29 subsequent taxable year.

30 (5) The homestead credit percentage for any county or municipal
31 corporation property tax:

32 (i) may not be less than 100% or exceed 110% for any taxable year;
33 and

34 (ii) shall be expressed in increments of 1 percentage point.

35 (6) The Mayor and City Council of Baltimore City and the governing body
36 of a county shall notify the Department of any action taken under paragraph (3) of this
37 subsection on or before November 15 preceding the taxable year for which the action is
38 taken.

3

1 (7) A municipal corporation shall notify the Department of any action taken
2 under paragraph (4) of this subsection on or before November 25 preceding the taxable
3 year for which the action is taken.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 1996, and shall be applicable to all taxable years beginning after June 30,
6 1997.