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By: **Delegates Muse, Heller, Patterson, Hubbard, Perry, Owings, Gordon,  
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Introduced and read first time: February 13, 1998

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners Property Tax Credit - Elderly Homeowners**

3 FOR the purpose of providing an additional property credit under the homeowners  
4 property tax credit for certain homeowners who are at least a certain age;  
5 providing for the calculation of the additional property tax credit; and generally  
6 relating to an additional property credit under the homeowners property tax  
7 credit for certain homeowners who are at least a certain age.

8 BY repealing and reenacting, without amendments,  
9 Article - Tax - Property  
10 Section 9-104(f)  
11 Annotated Code of Maryland  
12 (1994 Replacement Volume and 1997 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article - Tax - Property  
15 Section 9-104(g) and (i)  
16 Annotated Code of Maryland  
17 (1994 Replacement Volume and 1997 Supplement)

18 BY adding to  
19 Article - Tax - Property  
20 Section 9-104(g-2)  
21 Annotated Code of Maryland  
22 (1994 Replacement Volume and 1997 Supplement)

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

1 **Article - Tax - Property**

2 9-104.

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

6 (g) (1) Except as provided in [subsection (g-1)] SUBSECTIONS (G-1) AND  
7 (G-2) of this section, the property tax credit under this section is the total real  
8 property tax of a dwelling, less the percentage of the combined income of the  
9 homeowner that is described in paragraph (2) of this subsection.

10 (2) The percentage is:

- 11 (i) 0% of the 1st \$4,000 of combined income;
- 12 (ii) 2.5% of the 2nd \$4,000 of combined income;
- 13 (iii) 5.5% of the 3rd \$4,000 of combined income;
- 14 (iv) 7.5% of the 4th \$4,000 of combined income; and
- 15 (v) 9% of the combined income over \$16,000.

16 (G-2) (1) IN ADDITION TO THE PROPERTY TAX CREDIT AS DETERMINED  
17 UNDER SUBSECTION (G) OF THIS SECTION, EXCEPT AS PROVIDED IN PARAGRAPH (4)  
18 OF THIS SUBSECTION, THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION SHALL  
19 BE GRANTED AGAINST THE PROPERTY TAX IMPOSED ON THE REAL PROPERTY OF  
20 THE DWELLING OF A HOMEOWNER WHO AS OF DECEMBER 31 OF THE CALENDAR  
21 YEAR THAT PRECEDES THE YEAR IN WHICH THE HOMEOWNER APPLIES FOR THE  
22 CREDIT:

23 (I) IS AT LEAST 65 YEARS OLD; AND

24 (II) HAS A COMBINED NET WORTH THAT DOES NOT EXCEED  
25 \$400,000.

26 (2) THE ADDITIONAL PROPERTY TAX CREDIT UNDER THIS SECTION IS  
27 THE APPLICABLE PERCENTAGE DETERMINED UNDER PARAGRAPH (3) OF THIS  
28 SUBSECTION OF THE AMOUNT BY WHICH THE TOTAL REAL PROPERTY TAX OF THE  
29 DWELLING EXCEEDS THE CREDIT DETERMINED UNDER SUBSECTION (G) OF THIS  
30 SECTION.

31 (3) (I) IF THE CURRENT MARKET VALUE OF THE DWELLING DOES NOT  
32 EXCEED \$125,000, THE APPLICABLE PERCENTAGE FOR PURPOSES OF DETERMINING  
33 THE ADDITIONAL PROPERTY TAX CREDIT UNDER THIS SUBSECTION IS:

34 1. 10% FOR THE FIRST YEAR FOR WHICH THE ADDITIONAL  
35 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;

1                                   2.       20% FOR THE SECOND YEAR FOR WHICH THE ADDITIONAL  
2 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;

3                                   3.       30% FOR THE THIRD YEAR FOR WHICH THE ADDITIONAL  
4 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;

5                                   4.       40% FOR THE FOURTH YEAR FOR WHICH THE ADDITIONAL  
6 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING; AND

7                                   5.       50% FOR THE FIFTH YEAR FOR WHICH THE ADDITIONAL  
8 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING AND ALL  
9 SUBSEQUENT YEARS.

10                                (II)     IF THE CURRENT MARKET VALUE OF THE DWELLING IS  
11 GREATER THAN \$125,000 BUT DOES NOT EXCEED \$250,000, THE APPLICABLE  
12 PERCENTAGE FOR PURPOSES OF DETERMINING THE ADDITIONAL PROPERTY TAX  
13 CREDIT UNDER THIS SUBSECTION IS:

14                                1.       5% FOR THE FIRST YEAR FOR WHICH THE ADDITIONAL  
15 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;

16                                2.       10% FOR THE SECOND YEAR FOR WHICH THE ADDITIONAL  
17 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;

18                                3.       15% FOR THE THIRD YEAR FOR WHICH THE ADDITIONAL  
19 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;

20                                4.       20% FOR THE FOURTH YEAR FOR WHICH THE ADDITIONAL  
21 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING; AND

22                                5.       25% FOR THE FIFTH YEAR FOR WHICH THE ADDITIONAL  
23 CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING AND ALL  
24 SUBSEQUENT YEARS.

25                                (4)     THE CREDIT UNDER THIS SUBSECTION IS NOT ALLOWED FOR A  
26 DWELLING IF THE CURRENT MARKET VALUE OF THE DWELLING IS GREATER THAN  
27 \$250,000.

28       (i)   (1)   [A] EXCEPT AS PROVIDED IN SUBSECTION (G-2) OF THIS SECTION, A  
29 property tax credit under this section may not be granted to a homeowner whose  
30 combined net worth exceeds \$200,000 as of December 31 of the calendar year that  
31 precedes the year in which the homeowner applies for the property tax credit.

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

34                                (3)     A homeowner may claim a property tax credit under this section for  
35 only 1 dwelling.

1           (4)       If a property tax credit is issued under this section, the credit or a  
2 voucher for a credit may be used only in the taxable year in which it was issued or the  
3 next succeeding taxable year. However, a homeowner whose dwelling is sold for taxes  
4 may receive the credit until the final decree under § 14-844 of this article is entered.

5       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 July 1, 1998.