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By: **Delegates Muse, Heller, Patterson, Hubbard, Perry, Owings, Gordon, Palumbo, Valderrama, Frush, Hurson, Cadden, R. Baker, Harrison, Menes, Moe, Branch, Barve, Nathan-Pulliam, D. Davis, Howard, B. Hughes, E. Burns, C. Davis, ~~and Jones Jones, Hixson, Bozman, Cryor, Bonsack, Beck, Healey, Finifter, Greenip, Leopold, Linton, Marriott, McKee, C. Mitchell, Poole, Rzepkowski, Shriver, Workman, Clagett, Busch, Love, Bissett, Frank, Arnick, DeCarlo, Dypski, Eckardt, Getty, Hammen, Hecht, Holt, Kirk, Klausmeier, Krysiak, McIntosh, Miller, Minnick, Mohorovic, Morhaim, Ports, Redmer, Rosenberg, Stocksdale, Weir, and Watson~~**

Introduced and read first time: February 13, 1998  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 20, 1998

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CHAPTER \_\_\_\_\_

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 altering the~~  
8 ~~computation of a certain homeowners property tax credit; providing for the~~  
9 ~~application of this Act; and generally relating to a certain homeowners property~~  
10 ~~tax credit.~~

11 ~~BY repealing and reenacting, without amendments,~~  
12 ~~Article Tax Property~~  
13 ~~Section 9-104(f)~~  
14 ~~Annotated Code of Maryland~~  
15 ~~(1994 Replacement Volume and 1997 Supplement)~~

16 BY repealing and reenacting, with amendments,

1 Article - Tax - Property  
 2 Section 9-104(g) and (i)  
 3 Annotated Code of Maryland  
 4 (1994 Replacement Volume and 1997 Supplement)

5 ~~BY adding to~~  
 6 ~~Article - Tax - Property~~  
 7 ~~Section 9-104(g-2)~~  
 8 ~~Annotated Code of Maryland~~  
 9 ~~(1994 Replacement Volume and 1997 Supplement)~~

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

12 **Article - Tax - Property**

13 9-104.

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

17 (g) (1) Except as provided in ~~{subsection (g-1)}~~ ~~SUBSECTIONS (G-1) AND~~  
 18 ~~(G-2)~~ of this section, the property tax credit under this section is the total real  
 19 property tax of a dwelling, less the percentage of the combined income of the  
 20 homeowner that is described in paragraph (2) of this subsection.

21 (2) The percentage is:

- 22 (i) 0% of the 1st \$4,000 of combined income;
- 23 (ii) ~~2.5%~~ 1.5% of the 2nd \$4,000 of combined income;
- 24 (iii) ~~5.5%~~ 4.5% of the 3rd \$4,000 of combined income;
- 25 (iv) 7.5% of the 4th \$4,000 of combined income; and
- 26 (v) 9% of the combined income over \$16,000.

27 ~~(G-2) (1) IN ADDITION TO THE PROPERTY TAX CREDIT AS DETERMINED~~  
 28 ~~UNDER SUBSECTION (G) OF THIS SECTION, EXCEPT AS PROVIDED IN PARAGRAPH (4)~~  
 29 ~~OF THIS SUBSECTION, THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION SHALL~~  
 30 ~~BE GRANTED AGAINST THE PROPERTY TAX IMPOSED ON THE REAL PROPERTY OF~~  
 31 ~~THE DWELLING OF A HOMEOWNER WHO AS OF DECEMBER 31 OF THE CALENDAR~~  
 32 ~~YEAR THAT PRECEDES THE YEAR IN WHICH THE HOMEOWNER APPLIES FOR THE~~  
 33 ~~CREDIT:~~

34 ~~(1) IS AT LEAST 65 YEARS OLD; AND~~

1                   (H)     HAS A COMBINED NET WORTH THAT DOES NOT EXCEED  
2 \$400,000.

3                   (2)     ~~THE ADDITIONAL PROPERTY TAX CREDIT UNDER THIS SECTION IS~~  
4 ~~THE APPLICABLE PERCENTAGE DETERMINED UNDER PARAGRAPH (3) OF THIS~~  
5 ~~SUBSECTION OF THE AMOUNT BY WHICH THE TOTAL REAL PROPERTY TAX OF THE~~  
6 ~~DWELLING EXCEEDS THE CREDIT DETERMINED UNDER SUBSECTION (G) OF THIS~~  
7 ~~SECTION.~~

8                   (3)     (4)     ~~IF THE CURRENT MARKET VALUE OF THE DWELLING DOES NOT~~  
9 ~~EXCEED \$125,000, THE APPLICABLE PERCENTAGE FOR PURPOSES OF DETERMINING~~  
10 ~~THE ADDITIONAL PROPERTY TAX CREDIT UNDER THIS SUBSECTION IS:~~

11                             1.     ~~10% FOR THE FIRST YEAR FOR WHICH THE ADDITIONAL~~  
12 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;~~

13                             2.     ~~20% FOR THE SECOND YEAR FOR WHICH THE ADDITIONAL~~  
14 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;~~

15                             3.     ~~30% FOR THE THIRD YEAR FOR WHICH THE ADDITIONAL~~  
16 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;~~

17                             4.     ~~40% FOR THE FOURTH YEAR FOR WHICH THE ADDITIONAL~~  
18 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING; AND~~

19                             5.     ~~50% FOR THE FIFTH YEAR FOR WHICH THE ADDITIONAL~~  
20 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING AND ALL~~  
21 ~~SUBSEQUENT YEARS.~~

22                   (H)     ~~IF THE CURRENT MARKET VALUE OF THE DWELLING IS~~  
23 ~~GREATER THAN \$125,000 BUT DOES NOT EXCEED \$250,000, THE APPLICABLE~~  
24 ~~PERCENTAGE FOR PURPOSES OF DETERMINING THE ADDITIONAL PROPERTY TAX~~  
25 ~~CREDIT UNDER THIS SUBSECTION IS:~~

26                             1.     ~~5% FOR THE FIRST YEAR FOR WHICH THE ADDITIONAL~~  
27 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;~~

28                             2.     ~~10% FOR THE SECOND YEAR FOR WHICH THE ADDITIONAL~~  
29 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;~~

30                             3.     ~~15% FOR THE THIRD YEAR FOR WHICH THE ADDITIONAL~~  
31 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING;~~

32                             4.     ~~20% FOR THE FOURTH YEAR FOR WHICH THE ADDITIONAL~~  
33 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING; AND~~

34                             5.     ~~25% FOR THE FIFTH YEAR FOR WHICH THE ADDITIONAL~~  
35 ~~CREDIT UNDER THIS SUBSECTION IS GRANTED FOR A DWELLING AND ALL~~  
36 ~~SUBSEQUENT YEARS.~~

1           (4)     ~~THE CREDIT UNDER THIS SUBSECTION IS NOT ALLOWED FOR A~~  
2 ~~DWELLING IF THE CURRENT MARKET VALUE OF THE DWELLING IS GREATER THAN~~  
3 ~~\$250,000.~~

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

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

10          (3)     ~~A homeowner may claim a property tax credit under this section for~~  
11 ~~only 1 dwelling.~~

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

16     SECTION 2. AND BE IT FURTHER ENACTED, That the Department of  
17 Assessments and Taxation shall study the effects of the adjustment to the  
18 Homeowners Property Tax Credit Program under this Act and shall report on the  
19 results of this study to the Governor and General Assembly in accordance with §  
20 2-1246 of the State Government Article by December 1, 1999.

21     SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 1998 and shall be applicable to tax credits for all taxable years beginning after  
23 June 30, 1999.