

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 692 (Senator Boozer)

Budget and Taxation

Homeowners and Renters Property Tax Credits - Gross Income

This bill excludes the part of any amount received as an annuity that is excluded from gross income for federal income tax purposes from the definition of “gross income” for eligibility to receive a homeowners or renters property tax credit.

This bill is effective July 1, 1998, and is applicable to all renters tax credits for all calendar years beginning after December 31, 1997, and to all homeowners tax credits for all taxable years beginning after June 30, 1999.

Fiscal Summary

State Effect: Indeterminate increase in expenditures beginning in FY 1999. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

Background: The current definition of “gross income” for the renters tax credit program includes: (1) any benefit under the Social Security Act or the Railroad Retirement Act; (2) the aggregate of gifts over \$300; (3) alimony; (4) support money; (5) any nontaxable strike benefit; (6) public assistance received in a cash grant; (7) a pension; (8) an annuity; (9) any unemployment insurance benefit; (10) any workers’ compensation benefit; and (11) the net income received from a business, rental, or other endeavor. The definition of “gross income” for the homeowners credit program is identical, with the addition of “any rent on the dwelling, including the rent from a room or apartment.”

State Expenditures: This bill would increase credit amounts granted to some current recipients and expand the number of individuals who are eligible to receive a renters or homeowners tax credit. The Department of Legislative Services does not, however, have any data on which to base an estimate of the expenditure increase.

Information Sources: Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - March 10, 1998

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