
By: **Delegate C. Davis**

Introduced and read first time: February 9, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners' Property Tax Credit - Home Purchaser Applications**

3 FOR the purpose of authorizing home purchasers to apply for a homeowners' property
4 tax credit after the execution of a contract of sale of the dwelling; requiring a
5 home purchaser applying for the tax credit to provide the Department with
6 certain executed documents; authorizing the Department to determine the
7 amount of the tax credit that a home purchaser applying for the tax credit may
8 receive; requiring the Department to provide a home purchaser applying for the
9 tax credit with written notice of certain decisions; providing that a home
10 purchaser applying for the tax credit may use the credit to alter tax liability
11 under certain circumstances; providing for the application of this Act; and
12 generally relating to eligibility for a homeowners' property tax credit.

13 BY renumbering

14 Article - Tax - Property
15 Section 9-104(p) and (q), respectively to be (q) and (r), respectively
16 Annotated Code of Maryland
17 (1994 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, without amendments,

19 Article - Tax - Property
20 Section 9-104(g-1)
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1999 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article - Tax - Property
25 Section 9-104(k-1)
26 Annotated Code of Maryland
27 (1994 Replacement Volume and 1999 Supplement)

28 BY adding to

29 Article - Tax - Property

1 Section 9-104(p)
2 Annotated Code of Maryland
3 (1994 Replacement Volume and 1999 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That Section(s) 9-104 (p) and (q), respectively, of Article - Tax -
6 Property of the Annotated Code of Maryland be renumbered to be Section(s) 9-104 (q)
7 and (r), respectively.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
9 read as follows:

10 **Article - Tax - Property**

11 9-104.

12 (g-1) For home purchasers, the property tax credit is the amount of the credit as
13 calculated under subsection (g) of this section multiplied by a fraction, where:

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

17 (2) the denominator is 365 days.

18 (k-1) (1) A home purchaser may apply to the Department for a property tax
19 credit under this section after THE EXECUTION OF A CONTRACT OF SALE ON THE
20 DWELLING OR settlement on the dwelling by filing an application on the form that the
21 Department provides.

22 (2) The home purchaser shall state under oath that the facts in the
23 application are true.

24 (3) To substantiate the application, the Department may require the
25 applicant to provide a copy of an income tax return, or other evidence detailing gross
26 income or net worth.

27 (4) IF THE HOME PURCHASER FILES AN APPLICATION FOR A CREDIT
28 UNDER THIS SECTION PRIOR TO SETTLEMENT, THE DEPARTMENT:

29 (I) MAY FURTHER REQUIRE THE APPLICANT TO PROVIDE A COPY
30 OF THE EXECUTED SALE AGREEMENT;

31 (II) SHALL DETERMINE THE AMOUNT, IF ANY, OF THE CREDIT FOR
32 WHICH THE HOME PURCHASER IS ELIGIBLE UNDER THIS SECTION; AND

33 (III) SHALL NOTIFY THE HOME PURCHASER IN WRITING OF ITS
34 DECISION WITHIN 5 WORKING DAYS FROM RECEIPT OF THE APPLICATION.

1 (5) On certification by the Department, the Comptroller shall pay to the
2 home purchaser the property tax credit due under this section UNLESS THE CREDIT
3 WAS USED TO ADJUST THE HOME PURCHASER'S FINAL TAX LIABILITY PAID AT
4 SETTLEMENT UNDER SUBSECTION (P) OF THIS SECTION.

5 (P) THE FINAL TAX LIABILITY OF A HOME PURCHASER DUE AT SETTLEMENT
6 SHALL BE ADJUSTED TO REFLECT ANY CREDIT CERTIFIED BY THE DEPARTMENT.

7 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2000 and shall be applicable to tax credits for all taxable years beginning after
9 June 30, 2001.