
By: ~~Delegate C. Davis~~ Delegates C. Davis, Bartlett, Bohanan, Bozman,
Carlson, Conroy, Cryor, Finifter, Healey, Heller, Hixson, Howard,
Marriott, McKee, Patterson, Phillips, Ports, Rosso, Rudolph,
Rzepkowski, and Shriver

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Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2000

CHAPTER _____

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 apply within a certain period and
6 provide the Department with certain executed documents; requiring the
7 Department to develop certain regulations; authorizing the Department to
8 determine the amount of the tax credit that a home purchaser applying for the
9 tax credit may receive; requiring the Department to provide a home purchaser
10 applying for the tax credit with written notice of certain decisions; providing
11 that a home purchaser applying for the tax credit may use the credit to alter tax
12 liability under certain circumstances; providing for the application of this Act;
13 and generally relating to eligibility for a homeowners' property tax credit.

14 BY renumbering
15 Article - Tax - Property
16 Section 9-104(p) and (q), respectively
17 to be (q) and (r), respectively
18 Annotated Code of Maryland
19 (1994 Replacement Volume and 1999 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article - Tax - Property
22 Section 9-104(g-1)

1 Annotated Code of Maryland
2 (1994 Replacement Volume and 1999 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article - Tax - Property
5 Section 9-104(k-1)
6 Annotated Code of Maryland
7 (1994 Replacement Volume and 1999 Supplement)

8 BY adding to
9 Article - Tax - Property
10 Section 9-104(p)
11 Annotated Code of Maryland
12 (1994 Replacement Volume and 1999 Supplement)

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

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

19 **Article - Tax - Property**

20 9-104.

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

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

26 (2) the denominator is 365 days.

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

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

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

1 (4) IF THE HOME PURCHASER FILES AN APPLICATION FOR A CREDIT
2 UNDER THIS SECTION PRIOR TO SETTLEMENT, ~~THE DEPARTMENT:~~ THE PURCHASER
3 MUST FILE THIS APPLICATION WITHIN 5 WORKING DAYS AFTER THE EXECUTION OF
4 A CONTRACT OF SALE.

5 (5) UPON RECEIPT OF AN APPLICATION PRIOR TO SETTLEMENT, THE
6 DEPARTMENT:

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

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

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

13 (6) THE DEPARTMENT SHALL ADOPT REGULATIONS GOVERNING THE
14 APPLICATION FOR AND GRANTING OF A CREDIT BEFORE SETTLEMENT AS PROVIDED
15 UNDER THIS SECTION.

16 (5) (7) On certification by the Department, the Comptroller shall pay
17 to the home purchaser the property tax credit due under this section UNLESS THE
18 CREDIT WAS USED TO ADJUST THE HOME PURCHASER'S FINAL TAX LIABILITY PAID
19 AT SETTLEMENT UNDER SUBSECTION (P) OF THIS SECTION.

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

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