
By: **Senators Brinkley and Mooney**
 Introduced and read first time: February 4, 2005
 Assigned to: Budget and Taxation

Committee Report: Favorable
 Senate action: Adopted
 Read second time: March 20, 2005

CHAPTER_____

1 AN ACT concerning

2 **Frederick County - Property Tax - Homestead Tax Credit Percentage**

3 FOR the purpose of altering the maximum homestead property tax credit percentage
4 in Frederick County; providing for the application of this Act; and generally
5 relating to the homestead property tax credit percentage in Frederick County.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - Property
8 Section 9-105(e)
9 Annotated Code of Maryland
10 (2001 Replacement Volume and 2004 Supplement)

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

13 **Article - Tax - Property**

14 9-105.

15 (e) (1) For each taxable year, the property tax credit under this section is
16 calculated by:

17 (i) multiplying the prior year's taxable assessment by the
18 homestead credit percentage as provided under paragraph (2) of this subsection;

19 (ii) subtracting that amount from the current year's assessment;
20 and

1 (iii) if the difference is a positive number, multiplying the difference
2 by the applicable State, county, or municipal corporation property tax rate for the
3 current year.

4 (2) For each taxable year, the homestead credit percentage under
5 paragraph (1)(i) of this subsection is:

6 (i) for the State property tax, 110%;

7 (ii) for the county property tax:

8 1. the homestead credit percentage established by the county
9 under paragraph (3) of this subsection; or

10 2. if the county has not set a percentage for the taxable year
11 under paragraph (3) of this subsection or has not notified the Department as required
12 under paragraph (6) of this subsection, the homestead credit percentage in effect for
13 the county for the preceding taxable year; and

14 (iii) for the municipal corporation property tax:

15 1. the homestead credit percentage established by the
16 municipal corporation under paragraph (4) of this subsection; or

17 2. if the municipal corporation has not set a percentage
18 under paragraph (4) of this subsection or has not notified the Department as required
19 under paragraph (7) of this subsection, the homestead credit percentage for the
20 taxable year for the county in which the property is located.

21 (3) Subject to paragraph (5) of this subsection, the Mayor and City
22 Council of Baltimore City and the governing body of a county on or before November
23 15 of any year shall set, by law, the homestead credit percentage for the taxable year
24 beginning the following July 1.

25 (4) Subject to paragraph (5) of this subsection, on or before November 25
26 of any year, the governing body of a municipal corporation may set or alter, by law, a
27 homestead credit percentage for the taxable year beginning the following July 1 and
28 any subsequent taxable year.

29 (5) (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
30 PARAGRAPH, THE homestead credit percentage for any county or municipal
31 corporation property tax:

32 [(i)] 1. may not be less than 100% or exceed 110% for any taxable
33 year; and

34 [(ii)] 2. shall be expressed in increments of 1 percentage point.

1 (II) IN FREDERICK COUNTY, THE HOMESTEAD CREDIT
2 PERCENTAGE MAY NOT BE LESS THAN 100% OR EXCEED 105% FOR ANY TAXABLE
3 YEAR.

4 (6) The Mayor and City Council of Baltimore City and the governing
5 body of a county shall notify the Department of any action taken under paragraph (3)
6 of this subsection on or before November 15 preceding the taxable year for which the
7 action is taken.

8 (7) A municipal corporation shall notify the Department of any action
9 taken under paragraph (4) of this subsection on or before November 25 preceding the
10 taxable year for which the action is taken.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2005, and shall be applicable to all taxable years beginning after June 30,
13 2006.