Q1 5lr2757 CF 5lr1600

By: Senator Haines

Introduced and read first time: February 4, 2005

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Property Tax - Homeowner's Property Tax Credit - Computation

- 3 FOR the purpose of altering the maximum assessed value of a dwelling on which a
- 4 certain homeowner's property tax credit is calculated; altering the application of
- 5 the limit on the assessed value of a dwelling; altering the computation of the
- homeowner's property tax credit for certain taxable years based on a certain 6
- cost-of-living adjustment percentage; requiring the Department of Assessments 7
- and Taxation to determine a certain cost-of-living adjustment percentage by a 8
- 9 certain date based on the increase in a certain consumer price index for a certain
- period; providing for the application of this Act; and generally relating to 10
- altering the computation of the homeowner's property tax credit. 11
- 12 BY repealing and reenacting, with amendments,
- 13 Article - Tax - Property
- Section 9-104(a)(13) and (g) 14
- 15 Annotated Code of Maryland
- (2001 Replacement Volume and 2004 Supplement) 16
- 17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - Property**

- 20 9-104.
- "Total real property tax" means the product of the sum of all property 21 (a)
- 22 tax rates on real property, including special district tax rates, for the taxable year on
- 23 a dwelling, multiplied by the lesser of:
- 24 the assessed value of the dwelling [or \$150,000; and then]
- 25 reduced by [any] THE AMOUNT OF ANY ASSESSMENT ON WHICH A property tax
- 26 credit IS granted under § 9-105 of this subtitle; OR
- 27 (II)1. \$250,000: OR

UNOFFICIAL COPY OF SENATE BILL 631

- 1 FOR EACH TAXABLE YEAR BEGINNING AFTER JULY 30, 2 2006, AN AMOUNT EQUAL TO \$250,000 INCREASED BY THE COST-OF-LIVING 3 ADJUSTMENT PERCENTAGE AS DETERMINED IN SUBSECTION (G)(3)(II) OF THIS 4 SECTION. 5 (g) Except as provided in subsection (g-1) of this section, the property (1) 6 tax credit under this section is the total real property tax of a dwelling, less the percentage of the combined income of the homeowner that is described in paragraph 8 (2) of this subsection. 9 (2)The percentage is: 10 (i) 0% of the 1st \$4,000 of combined income: 11 (ii) 1% of the 2nd \$4,000 of combined income; 12 4.5% of the 3rd \$4,000 of combined income; (iii) 6.5% of the 4th \$4,000 of combined income; and 13 (iv) 14 9% of the combined income over \$16,000. (v) 15 FOR EACH TAXABLE YEAR BEGINNING AFTER JUNE 30, 2006, (3) (I) 16 EACH OF THE \$4,000 INCREMENTS SPECIFIED IN PARAGRAPH (2) OF THIS 17 SUBSECTION SHALL BE INCREASED BY THE COST-OF-LIVING ADJUSTMENT 18 PERCENTAGE AS DETERMINED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH. 19 (II) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE DEPARTMENT 20 SHALL DETERMINE THE COST-OF-LIVING ADJUSTMENT PERCENTAGE TO BE 21 APPLIED FOR THE NEXT TAXABLE YEAR BASED ON THE INCREASE OF THE 22 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS IN THE WASHINGTON AND 23 BALTIMORE REGION FOR THE MONTH OF MAY OF THAT YEAR OVER THE MONTH OF 24 MAY OF THE PRECEDING YEAR. 25 IF ANY INCREASE DETERMINED UNDER PARAGRAPH (3) OF THIS (III)26 SUBSECTION IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED DOWN 27 TO THE NEXT LOWEST MULTIPLE OF \$50.
- 28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 29 July 1, 2005, and shall be applicable to all taxable years beginning after June 30,
- 30 2006.