

(PRE-FILED)

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By: The Speaker and Delegates McHale and Hixson, Hixson, Cardin, Aumann, Barkley, Bartlett, Barve, Benson, Bobo, Boschert, Bozman, Branch, Bromwell, Bronrott, Brown, Burns, Cadden, Cane, G. Clagett, V. Clagett, Conroy, Conway, Cryor, C. Davis, D. Davis, Donoghue, Doory, Dumais, Edwards, Elliott, Elmore, Feldman, Frank, Gaines, Gilleland, Glassman, Goodwin, Gordon, Griffith, Gutierrez, Hammen, Harrison, Haynes, Healey, Heller, Holmes, Howard, Hubbard, James, Jameson, Jennings, Jones, Kaiser, Kelley, King, Krebs, Krysiak, Kullen, Lawton, Lee, Leopold, Levy, Love, Madaleno, Malone, Mandel, Marriott, Mayer, McComas, McConkey, McIntosh, McKee, McMillan, Menes, Moe, Montgomery, Morhaim, Murray, Myers, Nathan-Pulliam, Niemann, O'Donnell, Paige, Parker, Patterson, Pendergrass, Petzold, Proctor, Pugh, Quinter, Ramirez, Rosenberg, Ross, Shank, Sophocleus, Sossi, Stern, Trueschler, F. Turner, V. Turner, Vallario, and Vaughn

Requested: November 15, 2005  
Introduced and read first time: January 11, 2006  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 19, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax - Homeowners' Property Tax Credit and Renters' Property Tax**  
3 **Relief**

4 FOR the purpose of altering the maximum assessed value of a dwelling on which a  
5 certain homeowners' property tax credit is calculated; altering the computation  
6 of the credit; ~~altering a certain restriction of eligibility for the credit based on a~~  
7 ~~homeowner's net worth~~ excluding certain items from the definition of "assets"  
8 for purposes of the credit; including certain items in the definition of "gross  
9 income" for purposes of the credit; providing that the credit may not be granted  
10 to a homeowner whose combined income exceeds a certain amount for a certain  
11 calendar year; altering the maximum amount of certain property tax relief  
12 provided to certain renters; providing for the application of this Act; and  
13 generally relating to a certain homeowners' property tax credit and certain  
14 renters' property tax relief.

1 BY repealing and reenacting, with amendments,  
 2 Article - Tax - Property  
 3 Section ~~9-104(a)(13)~~ 9-102(i) and 9-104(a)(2), (8), and (13), (g), and (i)(1)  
 4 Annotated Code of Maryland  
 5 (2001 Replacement Volume and 2005 Supplement)

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

8 **Article - Tax - Property**

9 9-102.

10 (i) The property tax relief under this section may not be:

11 (1) more than [\$600] \$750;

12 (2) granted to any renter whose combined net worth exceeds \$200,000 as  
 13 of December 31 of the calendar year for which the property tax relief is sought;

14 (3) granted to any renter whose dwelling is exempt from property tax;

15 and

16 (4) granted if the credit under this section is less than \$1 in any year.

17 9-104.

18 (a) (2) (i) "Assets" include:

19 1. real property;

20 2. cash;

21 3. savings accounts;

22 4. stocks;

23 5. bonds; and

24 6. any other investment.

25 (ii) "Assets" do not include:

26 1. the dwelling for which a property tax credit is sought  
 27 under this section;

28 2. the cash value of the life insurance policies on the life of  
 29 the homeowner; [or]



1 (13) "Total real property tax" means the product of the sum of all property  
 2 tax rates on real property, including special district tax rates, for the taxable year on  
 3 a dwelling, multiplied by the lesser of:

4 (i) [\$150,000] ~~\$250,000~~ \$300,000; or

5 (ii) the assessed value of the dwelling reduced by the amount of any  
 6 assessment on which a property tax credit is granted under § 9-105 of this subtitle.

7 (g) (1) Except as provided in subsection (g-1) of this section, the property  
 8 tax credit under this section is the total real property tax of a dwelling, less the  
 9 percentage of the combined income of the homeowner that is described in paragraph  
 10 (2) of this subsection.

11 (2) The percentage is:

12 (i) 0% of the 1st [\$4,000] ~~\$10,000~~ \$8,000 of combined income;

13 (ii) ~~1% of the [2nd] NEXT \$4,000 of combined income;~~

14 (iii) ~~(II)~~ (II) ~~4.5%~~ 4% of the [3rd] NEXT \$4,000 of combined income;

15 (iv) ~~(III)~~ (III) 6.5% of the [4th] NEXT \$4,000 of combined income; and

16 (v) ~~(IV)~~ (IV) 9% of the combined income over ~~[\$16,000]~~ \$22,000.

17 (i) (1) A property tax credit under this section may not be granted to a  
 18 homeowner whose combined net worth exceeds ~~[\$200,000]~~ \$300,000 as of December  
 19 31 of the calendar year that precedes the year in which the homeowner applies for the  
 20 property tax credit OR WHOSE COMBINED GROSS INCOME EXCEEDS \$60,000 IN THAT  
 21 SAME CALENDAR YEAR.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 23 June 1, 2006, and shall be applicable to ~~all taxable years beginning after June 30,~~  
 24 ~~2006;~~

25 (1) tax relief under § 9-102 of the Tax - Property Article for all calendar  
 26 years beginning after December 31, 2005; and

27 (2) tax credits under § 9-104 of the Tax - Property Article for all taxable  
 28 years beginning after June 30, 2006.

