
By: **Delegates Cardin, Aumann, Boschert, Cluster, Elmore, Frank,
Impallaria, Krebs, McKee, and Ramirez**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of excluding certain items from the definition of "assets" for
4 purposes of a certain homeowners' property tax credit; including certain items in
5 the definition of "gross income" for purposes of the credit; altering the maximum
6 assessed value of a dwelling on which a certain homeowner's property tax credit
7 is calculated; altering the computation of the credit; altering a certain
8 restriction on eligibility for the credit based on a homeowner's net worth;
9 imposing a certain restriction on eligibility for the credit based on a
10 homeowner's combined income; providing for the application of this Act; and
11 generally relating to a certain homeowner's property tax credit.

12 BY repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section 9-104(a)(2), (8), and (13), (g), and (i)(1)
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2005 Supplement)

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.

21 (a) (2) (i) "Assets" include:
22 1. real property;
23 2. cash;
24 3. savings accounts;
25 4. stocks;

1 13. ANY WITHDRAWAL, PAYMENT, OR DISTRIBUTION FROM
2 ANY QUALIFIED RETIREMENT SAVINGS PLAN; AND

3 [12.] 14. any rent on the dwelling, including the rent from a
4 room or apartment.

5 (iii) "Gross income" does not include:

6 1. any income tax refund received from the State or federal
7 government; or

8 2. any loss from business, rental, or other endeavor.

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

12 (i) [\$150,000] \$300,000; or

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

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

19 (2) The percentage is:

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

21 (ii) [1%] 4.5% of the [2nd \$4,000] NEXT \$2,000 of combined income;

22 (iii) [4.5%] 6.5% of the [3rd \$4,000] NEXT \$4,000 of combined
23 income; AND

24 [(iv) 6.5% of the 4th \$4,000 of combined income; and]

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

26 (i) (1) A property tax credit under this section may not be granted to a
27 homeowner whose combined net worth exceeds [\$200,000] \$300,000 as of December
28 31 of the calendar year that precedes the year in which the homeowner applies for the
29 property tax credit OR WHOSE COMBINED INCOME EXCEEDS \$60,000 IN THAT SAME
30 CALENDAR YEAR.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 June 1, 2006, and be applicable for all tax years beginning after June 30, 2006.