Q1 6lr2204

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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 Cree	lit
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- 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
- the definition of "gross income" for purposes of the credit; altering the maximum 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
- 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:
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- 22 1. real property;
- 23 2. cash;
- 24 3. savings accounts;
- 25 4. stocks;

UNOFFICIAL COPY OF HOUSE BILL 1252 2 5. 1 bonds; and 2 6. any other investment. 3 (ii) "Assets" do not include: 4 1. the dwelling for which a property tax credit is sought 5 under this section; 2. the cash value of the life insurance policies on the life of 6 7 the homeowner; [or] THE CASH VALUE OF ANY QUALIFIED RETIREMENT 3. 9 SAVINGS PLAN OR INDIVIDUAL RETIREMENT ACCOUNTS; OR 10 [3.] 4. tangible personal property. 11 (8) (i) "Gross income" means the total income from all sources for the 12 calendar year that immediately precedes the taxable year, whether or not the income 13 is included in the definition of gross income for federal or State tax purposes. 14 (ii) "Gross income" includes: 15 1. any benefit under the Social Security Act or the Railroad 16 Retirement Act; 17 2. the aggregate of gifts over \$300; 3. 18 alimony; 19 4. support money; 20 5. any nontaxable strike benefit; 21 public assistance received in a cash grant; 6. 7. 22 a pension; 23 8. an annuity; 9. 24 any unemployment insurance benefit; 25 10. any workers' compensation benefit; 26 11. the net income received from a business, rental, or other 27 endeavor; [and]

ANY WITHDRAWAL, PAYMENT, OR DISTRIBUTION FROM

12.

29 AN INDIVIDUAL RETIREMENT ACCOUNT;

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1 2	ANY QUALIFIED R	ETIREM	13. ENT SA		ITHDRAWAL, PAYMENT, OR DISTRIBUTION FROM PLAN; AND	
3 4	room or apartment.		[12.]	14.	any rent on the dwelling, including the rent from a	
5		(iii)	"Gross i	ncome" o	loes not include:	
6 7	government; or		1.	any inco	ome tax refund received from the State or federal	
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 0 tax rates on real property, including special district tax rates, for the taxable year on 1 a dwelling, multiplied by the lesser of:					
12		(i)	[\$150,00	00] \$300,	000; or	
13 14	assessment on which	(ii) a proper			e of the dwelling reduced by the amount of any nted under § 9-105 of this subtitle.	
17	(g) (1) Except as provided in subsection (g-1) of this section, the property 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 (2) of this subsection.					
19	(2)	The per	centage is	s:		
20		(i)	0% of th	e 1st [\$4	,000] \$10,000 of combined income;	
21		(ii)	[1%] 4.5	5% of the	[2nd \$4,000] NEXT \$2,000 of combined income;	
22 23	income; AND	(iii)	[4.5%]	5.5% of tl	ne [3rd \$4,000] NEXT \$4,000 of combined	
24		[(iv)	6.5% of	the 4th \$	4,000 of combined income; and]	
25		[(v)]	(IV)	9% of th	ne combined income over \$16,000.	
28 29 30 31	31 of the calendar ye property tax credit O CALENDAR YEAR SECTION 2. AN	ombined: ar that pr R WHOS D BE IT	net worth ecedes th EE COME	exceeds e year in BINED II ER ENAG	r this section may not be granted to a [\$200,000] \$300,000 as of December which the homeowner applies for the NCOME EXCEEDS \$60,000 IN THAT SAME	
32	June 1, 2006, and be applicable for all tax years beginning after June 30, 2006.					