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By: **Senator Della**

Introduced and read first time: January 24, 2006

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Homeowners' Property Tax Credit**

3 FOR the purpose of altering the maximum assessed value of a dwelling on which a  
4 certain homeowners' property tax credit is calculated; altering the computation  
5 of the credit; altering a certain restriction of eligibility for the credit based on a  
6 homeowner's net worth; providing for the application of this Act; and generally  
7 relating to a certain homeowners' property tax credit.

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

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

15 **Article - Tax - Property**

16 9-104.

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

20 (i) [\$150,000] \$250,000; or

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

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

27 (2) The percentage is:

- 1 (i) 0% of the 1st [\$4,000] \$10,000 of combined income;
- 2 (ii) 1% of the [2nd] NEXT \$4,000 of combined income;
- 3 (iii) 4.5% of the [3rd] NEXT \$4,000 of combined income;
- 4 (iv) 6.5% of the [4th] NEXT \$4,000 of combined income; and
- 5 (v) 9% of the combined income over [\$16,000] \$22,000.

6 (i) (1) A property tax credit under this section may not be granted to a  
7 homeowner whose combined net worth exceeds [\$200,000] \$300,000 as of December  
8 31 of the calendar year that precedes the year in which the homeowner applies for the  
9 property tax credit.

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