
By: **Senator Astle**

Introduced and read first time: January 25, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Tax Credit - Eligibility - Razed Property and Substantially**
3 **Improved Property**

4 FOR the purpose of providing that for purposes of the homestead property tax credit,
5 the full benefit of the credit received in the previous taxable year shall be
6 reflected in the taxable assessment of the total property for the current taxable
7 year under certain circumstances, regardless of the homeowner's actual
8 occupancy of the dwelling; providing for the application of this Act; and
9 generally relating to the homestead property tax credit.

10 BY adding to

11 Article - Tax - Property
12 Section 9-105(l)
13 Annotated Code of Maryland
14 (2001 Replacement Volume and 2005 Supplement)

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

17 **Article - Tax - Property**

18 9-105.

19 (L) (1) THIS SUBSECTION APPLIES ONLY IF:

20 (I) A HOMEOWNER HAS HELD A LEGAL INTEREST IN A DWELLING
21 FOR AT LEAST THE 3 FULL PREVIOUS TAX YEARS; AND

22 (II) THE DWELLING WAS ELIGIBLE FOR A CREDIT UNDER THIS
23 SECTION FOR THE PREVIOUS TAXABLE YEAR.

24 (2) IF DURING THE PREVIOUS TAXABLE YEAR A DWELLING ON
25 PROPERTY WAS RAZED BY THE HOMEOWNER FOR THE PURPOSE OF REPLACING IT
26 WITH A NEW DWELLING OR WAS VACATED BY THE HOMEOWNER FOR THE PURPOSE
27 OF MAKING SUBSTANTIAL IMPROVEMENTS TO THE PROPERTY, THE FULL BENEFIT
28 OF THE CREDIT RECEIVED UNDER THIS SECTION IN THE PREVIOUS TAXABLE YEAR

1 SHALL BE REFLECTED IN THE TAXABLE ASSESSMENT OF THE TOTAL PROPERTY,
2 INCLUDING ANY NEW IMPROVEMENTS, FOR THE CURRENT TAXABLE YEAR,
3 REGARDLESS OF THE HOMEOWNER'S ACTUAL OCCUPANCY OF THE DWELLING.

4 (3) THE ASSESSMENT CALCULATED UNDER THIS SUBSECTION MAY NOT
5 BE LESS THAN ZERO.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 June 1, 2006, and shall be applicable to all taxable years beginning after June 30,
8 2006.