

# HOUSE BILL 854

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HB 47/06 – W&M

71r2190

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By: **Delegates Boteler, Aumann, Beitzel, Frank, Jennings, McConkey, Riley,  
and Weir**

Introduced and read first time: February 9, 2007

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homeowners’ Property Tax Credit – Income Limitations**

3 FOR the purpose of altering the definition of “gross income” under the homeowners’  
4 property tax credit to exclude benefits under the Social Security Act and the  
5 Railroad Retirement Act; providing for the application of this Act; and generally  
6 relating to the homeowners’ property tax credit.

7 BY repealing and reenacting, without amendments,  
8 Article – Tax – Property  
9 Section 9–104(a)(1) and (3) and (g)  
10 Annotated Code of Maryland  
11 (2001 Replacement Volume and 2006 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Tax – Property  
14 Section 9–104(a)(8)  
15 Annotated Code of Maryland  
16 (2001 Replacement Volume and 2006 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.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) In this section the following words have the meanings indicated.

2 (3) "Combined income" means the combined gross income of all  
3 individuals who actually reside in a dwelling except an individual who:

4 (i) is a dependent of the homeowner under § 152 of the Internal  
5 Revenue Code; or

6 (ii) pays a reasonable amount for rent or room and board.

7 (8) (i) "Gross income" means the total income from all sources for  
8 the calendar year that immediately precedes the taxable year, whether or not the  
9 income is included in the definition of gross income for federal or State tax purposes.

10 (ii) "Gross income" includes:

11 1. [any benefit under the Social Security Act or the  
12 Railroad Retirement Act;

13 2.] the aggregate of gifts over \$300;

14 [3.] 2. alimony;

15 [4.] 3. support money;

16 [5.] 4. any nontaxable strike benefit;

17 [6.] 5. public assistance received in a cash grant;

18 [7.] 6. a pension;

19 [8.] 7. an annuity;

20 [9.] 8. any unemployment insurance benefit;

21 [10.] 9. any workers' compensation benefit;

22 [11.] 10. the net income received from a business, rental,  
23 or other endeavor;

1 [12.] 11. any withdrawal, payment, or distribution from  
2 an individual retirement account;

3 [13.] 12. any withdrawal, payment, or distribution from  
4 any qualified retirement savings plan; and

5 [14.] 13. any rent on the dwelling, including the rent  
6 from a room or apartment.

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

8 1. any income tax refund received from the State or  
9 federal government; [or]

10 2. any loss from business, rental, or other endeavor; **OR**

11 **3. ANY BENEFIT UNDER THE SOCIAL SECURITY ACT**  
12 **OR THE RAILROAD RETIREMENT ACT.**

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

17 (2) The percentage is:

18 (i) 0% of the 1st \$8,000 of combined income;

19 (ii) 4% of the next \$4,000 of combined income;

20 (iii) 6.5% of the next \$4,000 of combined income; and

21 (iv) 9% of the combined income over \$16,000.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 June 1, 2007, and shall be applicable to all taxable years beginning after June 30,  
24 2007.