

SENATE BILL 618

Q1

8lr2299

By: **Senators Jones, Exum, Pinsky, and Pugh**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homeowners’ Property Tax Credit and Renters’ Property Tax**
3 **Relief**

4 FOR the purpose of altering the eligibility requirements for renters’ property tax
5 relief; altering the computation of certain property tax relief and credits;
6 altering the maximum amount of certain property tax relief provided to certain
7 renters; altering the minimum amount of certain property tax relief and credits
8 that may be granted; providing for the application of this Act; and generally
9 relating to homeowners’ property tax credit and certain renters’ property tax
10 relief.

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 9–102(a)(9), (h), and (i) and 9–104(h) and (k)(2)
14 Annotated Code of Maryland
15 (2007 Replacement Volume)

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

18 **Article – Tax – Property**

19 9–102.

20 (a) (9) “Renter” means an individual, who during the calendar year for
21 which the property tax relief under this section is sought, actually occupies a dwelling
22 in which the individual has a leasehold interest and who:

23 (i) is at least 60 years old;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) has been found permanently and totally disabled and has
2 qualified for benefits under:

- 3 1. the Social Security Act;
- 4 2. the Railroad Retirement Act;
- 5 3. any federal act for members of the United States
6 armed forces; or
- 7 4. any federal retirement system;

8 (iii) has been found permanently and totally disabled by a county
9 health officer or the Baltimore City Commissioner of Health; or

10 (iv) is under the age of 60 years and:

11 1. has gross income below **200% OF** the poverty
12 threshold that is established by the U.S. Department of Commerce, Bureau of the
13 Census in August of the previous calendar year; **AND**

14 2. [has 1 or more dependent children under 18 years old
15 living with the renter; and

16 3.] does not receive federal or State housing subsidies or
17 reside in public housing.

18 (h) (1) The property tax relief that a renter may receive under this section
19 is the assumed property tax on real property less a percentage of the combined income
20 of the renter.

21 (2) The percentage is:

22 (i) 0% of the 1st [\$4,000] **\$8,000** of combined income;

23 (ii) [2.5% of the 2nd] **4% OF THE NEXT** \$4,000 of combined
24 income; **AND**

25 (iii) [5.5% of the 3rd \$4,000 of combined income;

26 (iv) 7.5% of the 4th \$4,000 of combined income; and

27 (v) 9% of the combined income over \$16,000] **5% OF THE**
28 **COMBINED INCOME OVER \$12,000.**

29 (i) The property tax relief under this section may not be:

- 1 (1) more than [\$750] **\$1,500**;
- 2 (2) granted to any renter whose combined net worth exceeds \$200,000
3 as of December 31 of the calendar year for which the property tax relief is sought;
- 4 (3) granted to any renter whose dwelling is exempt from property tax;
5 and
- 6 (4) granted if the credit under this section is less than [\$1] **\$10** in any
7 year.
- 8 9–104.

9 (h) (1) Except as provided in subsection (i) of this section, the property tax
10 credit under this section is the total real property tax of a dwelling, less the percentage
11 of the combined income of the homeowner that is described in paragraph (2) of this
12 subsection.

13 (2) The percentage is:

- 14 (i) 0% of the 1st \$8,000 of combined income;
- 15 (ii) 4% of the next \$4,000 of combined income; **AND**
- 16 (iii) [6.5% of the next \$4,000 of combined income; and
- 17 (iv) 9%] **5%** of the combined income over [\$16,000] **\$12,000**.

18 (k) (2) If a property tax credit under this section is less than [\$1] **\$10** in
19 any taxable year, the credit may not be granted.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2008, and shall be applicable to:

22 (1) tax relief under § 9–102 of the Tax – Property Article for all
23 calendar years beginning after December 31, 2007; and

24 (2) tax credits under § 9–104 of the Tax – Property Article for all
25 taxable years beginning after June 30, 2008.