

SENATE BILL 760

Q1

8lr2906

By: **Senator Stone**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax - Residence of Homeowner's Family Member**

3 FOR the purpose of altering the definition of a dwelling that qualifies for the
4 homestead property tax credit to include certain homes that are the only
5 residence of a family member of the homeowner; providing that a dwelling must
6 be occupied by a certain day to qualify for the homestead property tax credit;
7 providing that a homeowner may claim a homestead property tax credit for two
8 dwellings under certain circumstances; and generally relating to the homestead
9 property tax credit for certain dwellings that are the only residence of a family
10 member of the homeowner.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - Property
13 Section 9-105(a)(2), (c)(2) and (3), and (d)(2) and (3)
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 9-105.

20 (a) (2) (i) "Dwelling" means:

21 1. a house that is:

22 A. used as the principal residence of the homeowner; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 B. actually occupied or expected to be actually occupied
2 by the homeowner for more than 6 months of a 12-month period beginning with the
3 date of finality for the taxable year for which the property tax credit under this section
4 is sought; and

5 2. the lot or curtilage on which the house is erected.

6 (ii) "Dwelling" includes:

7 1. a condominium unit that is occupied by an individual
8 who has a legal interest in the condominium;

9 2. an apartment in a cooperative apartment corporation
10 that is occupied by an individual who has a legal interest in the apartment; and

11 3. a part of real property used other than primarily for
12 residential purposes, if the real property is used as a principal residence by an
13 individual who has a legal interest in the real property.

14 (iii) **"DWELLING" INCLUDES A HOUSE, AND THE LOT OR**
15 **CURTLAGE ON WHICH THE HOUSE IS ERECTED, IF THE HOUSE:**

16 1. **IS NOT A VACATION HOME;**

17 2. **IS NOT THE RESIDENCE OF THE HOMEOWNER BUT**
18 **TREATED AS USED BY THE HOMEOWNER FOR PERSONAL PURPOSES WITHIN THE**
19 **MEANING OF § 280A(D) OF THE INTERNAL REVENUE CODE; AND**

20 3. **IS THE ONLY RESIDENCE OF AN INDIVIDUAL WHO:**

21 **A. IS THE BROTHER, SISTER, HALF-BROTHER,**
22 **HALF-SISTER, SPOUSE, PARENT, STEP-PARENT, GRANDPARENT, CHILD,**
23 **STEP-CHILD, ADOPTED CHILD, OR GRANDCHILD OF THE HOMEOWNER;**

24 **B. WHOSE RENTAL PAYMENTS TO THE HOMEOWNER**
25 **ARE LESS THAN 90% OF A FAIR RENTAL PRICE PAID FOR A SIMILAR DWELLING**
26 **IN THE SAME AREA; AND**

27 **C. IS ENTITLED TO LOW INCOME ASSISTANCE**
28 **BENEFITS UNDER A FEDERAL OR STATE PROGRAM.**

29 (c) (2) If a homeowner, **OR THE HOMEOWNER'S FAMILY MEMBER IN**
30 **THE CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III) OF THIS**
31 **SECTION,** does not actually reside in a dwelling for the required time period because
32 of illness or need of special care and is otherwise eligible for a property tax credit

1 under this section, the homeowner may qualify for the property tax credit under this
2 section.

3 (3) If a homeowner, **OR THE HOMEOWNER'S FAMILY MEMBER IN**
4 **THE CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III) OF THIS**
5 **SECTION**, otherwise eligible for a credit under this section does not actually reside in
6 a dwelling for the required time period because the dwelling is damaged due to an
7 accident or natural disaster, the homeowner may continue to qualify for a credit under
8 this section for the current taxable year and 2 succeeding taxable years even if the
9 dwelling has been removed from the assessment roll in accordance with § 10-304 of
10 this article.

11 (d) (2) A homeowner, **OR THE HOMEOWNER'S FAMILY MEMBER IN THE**
12 **CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III) OF THIS SECTION**,
13 must actually reside in the dwelling by July 1 of the taxable year for which the
14 property tax credit under this section is to be allowed.

15 (3) (I) **[A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
16 **THIS PARAGRAPH**, A homeowner may claim a property tax credit under this section
17 for only 1 dwelling.

18 (II) **A HOMEOWNER MAY CLAIM A PROPERTY TAX CREDIT**
19 **UNDER THIS SECTION FOR TWO DWELLINGS IF ONE OF THE DWELLINGS**
20 **QUALIFIES AS A DWELLING UNDER SUBSECTION (A)(2)(I) OF THIS SECTION AND**
21 **THE OTHER DWELLING QUALIFIES AS A DWELLING UNDER SUBSECTION**
22 **(A)(2)(III) OF THIS SECTION.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 June 1, 2008, and shall be applicable to all taxable years beginning after June 30,
25 2008.