

SENATE BILL 760

Q1

8lr2906

By: **Senator Stone**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 22, 2008

CHAPTER _____

1 AN ACT concerning

2 **~~Homestead~~ Property Tax Credit – 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~~ authorizing the Mayor and City Council of Baltimore
11 City or the governing body of a county or of a municipal corporation to grant, by
12 law, a tax credit against the county or municipal corporation property tax
13 imposed on certain dwellings; authorizing the county or municipal corporation
14 to provide, by law, for the amount and duration of the credit and certain other
15 provisions to carry out the credit; defining certain terms; and generally relating
16 to a local property tax credit for dwellings.

17 ~~BY repealing and reenacting, with amendments,~~
18 ~~Article – Tax – Property~~
19 ~~Section 9–105(a)(2), (c)(2) and (3), and (d)(2) and (3)~~
20 ~~Annotated Code of Maryland~~
21 ~~(2007 Replacement Volume)~~

22 BY adding to
23 Article – Tax – Property
24 Section 9–248

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
 2 (2007 Replacement Volume)

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

5 **Article - Tax - Property**

6 ~~9-105.~~ **9-248.**

7 (a) ~~(2)~~ (i) ~~“Dwelling” means:~~

8 ~~1. a house that is:~~

9 ~~A. used as the principal residence of the homeowner; and~~

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

14 ~~2. the lot or curtilage on which the house is erected.~~

15 (ii) ~~“Dwelling” includes:~~

16 ~~1. a condominium unit that is occupied by an individual~~
 17 ~~who has a legal interest in the condominium;~~

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

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

23 ~~(H) “DWELLING” INCLUDES A HOUSE, AND THE LOT OR~~
 24 ~~CURTLAGE ON WHICH THE HOUSE IS ERECTED, IF THE HOUSE:~~

25 (A) IN THIS SECTION, “FAMILY ASSISTANCE DWELLING” MEANS A
 26 HOUSE, AND THE LOT OR CURTLAGE ON WHICH THE HOUSE IS ERECTED, IF THE
 27 HOUSE:

28 ~~1.~~ **(1) IS NOT A VACATION HOME;**

29 ~~2.~~ **(2) IS NOT THE RESIDENCE OF THE HOMEOWNER BUT**
 30 **TREATED AS USED BY THE HOMEOWNER FOR PERSONAL PURPOSES WITHIN THE**
 31 **MEANING OF § 280A(D) OF THE INTERNAL REVENUE CODE; AND**

~~3.~~ **(3) IS THE ONLY RESIDENCE OF AN INDIVIDUAL WHO:**

~~A.~~ **(I) IS THE BROTHER, SISTER, HALF-BROTHER, HALF-SISTER, SPOUSE, PARENT, STEP-PARENT, GRANDPARENT, CHILD, STEP-CHILD, ADOPTED CHILD, OR GRANDCHILD OF THE HOMEOWNER;**

~~B.~~ **(II) WHOSE RENTAL PAYMENTS TO THE HOMEOWNER ARE LESS THAN 90% OF A FAIR RENTAL PRICE PAID FOR A SIMILAR DWELLING IN THE SAME AREA; AND**

~~C.~~ **(III) IS ENTITLED TO LOW INCOME ASSISTANCE BENEFITS UNDER A FEDERAL OR STATE PROGRAM.**

~~(e) (2) If a homeowner, OR THE HOMEOWNER'S FAMILY MEMBER IN THE CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III) OF THIS SECTION, does not actually reside in a dwelling for the required time period because of illness or need of special care and is otherwise eligible for a property tax credit under this section, the homeowner may qualify for the property tax credit under this section.~~

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

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

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

~~(ii) A HOMEOWNER MAY CLAIM A PROPERTY TAX CREDIT UNDER THIS SECTION FOR TWO DWELLINGS IF ONE OF THE DWELLINGS QUALIFIES AS A DWELLING UNDER SUBSECTION (A)(2)(I) OF THIS SECTION AND THE OTHER DWELLING QUALIFIES AS A DWELLING UNDER SUBSECTION (A)(2)(III) OF THIS SECTION.~~

1 **(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
2 **GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY**
3 **GRANT, BY LAW, A TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL**
4 **CORPORATION PROPERTY TAX IMPOSED ON A FAMILY ASSISTANCE DWELLING.**

5 **(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
6 **GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY**
7 **PROVIDE, BY LAW, FOR:**

8 **(1) THE AMOUNT AND DURATION OF THE TAX CREDIT UNDER THIS**
9 **SECTION;**

10 **(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT**
11 **UNDER THIS SECTION;**

12 **(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND**
13 **UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**

14 **(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE**
15 **CREDIT UNDER THIS SECTION.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 June 1, 2008, and shall be applicable to all taxable years beginning after June 30,
18 2008.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.