

# SENATE BILL 354

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By: **Senator Muse**

Introduced and read first time: January 22, 2014

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Renters Tax Credit Program**

3 FOR the purpose of altering the calculation of certain property tax relief provided to  
4 certain renters by altering the percent of rent used to determine the amount of  
5 assumed property tax and altering the calculation of combined income of a  
6 renter; increasing the maximum amount of property tax relief that may be  
7 provided; requiring the State Department of Assessments and Taxation to  
8 establish a certain marketing campaign; requiring the Department to report to  
9 the General Assembly on certain matters on or before a certain date; and  
10 generally relating to the renters property tax credit relief program.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – Property  
13 Section 9–102  
14 Annotated Code of Maryland  
15 (2012 Replacement Volume and 2013 Supplement)

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

21 (2) (i) “Assets” include:

22 1. real property;

23 2. cash;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 3. savings accounts;

2 4. stocks;

3 5. bonds; and

4 6. any other investment.

5 (ii) “Assets” do not include:

6 1. the cash value of the life insurance policies on the life  
7 of the renter; or

8 2. tangible personal property.

9 (3) “Assumed real property tax” means:

10 (i) [15%] **25%** of the occupancy rent paid by a renter during the  
11 calendar year; or

12 (ii) [15%] **25%** of the occupancy rent paid by a renter during the  
13 calendar year plus any tax paid under § 20–501 of the Local Government Article.

14 (4) “Combined income” means the combined gross income of all  
15 individuals who actually reside in a dwelling except an individual who:

16 (i) is a dependent of the renter under § 152 of the Internal  
17 Revenue Code; or

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

19 (5) (i) “Dwelling” means a rental unit that is the principal  
20 residence of a renter.

21 (ii) “Dwelling” includes a mobile home pad on which the  
22 principal residence of the renter rests.

23 (6) (i) “Gross income” means the total income from all sources for  
24 the calendar year that immediately precedes the taxable year, whether or not the  
25 income is included in the definition of gross income for federal or State tax purposes.

26 (ii) “Gross income” includes:

27 1. any benefit under the Social Security Act or the  
28 Railroad Retirement Act;





1 (e) If a dwelling is not actually occupied or expected to be occupied by the  
2 renter for 6 months or more of the calendar year, the dwelling is not a principal  
3 residence.

4 (f) (1) On or before September 1 of the year following the calendar year  
5 for which property tax relief under this section is sought, a renter may apply to the  
6 Department for the property tax relief. The application shall be made on the form that  
7 the Department provides.

8 (2) For good cause, the Department may accept an application from a  
9 renter after September 1 but on or before October 31 of the year following the calendar  
10 year for which property tax relief under this section is sought.

11 (3) The renter shall state under oath that the statements in the  
12 application are true.

13 (4) To substantiate the application, the applicant may be required to  
14 provide a copy of an income tax return, or other evidence detailing gross income or net  
15 worth.

16 (g) Notwithstanding § 13–202 of the Tax – General Article, to verify the  
17 income stated in an application, the Comptroller shall give the Department the  
18 information required.

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

22 (2) The percentage is:

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

24 (ii) 2.5% of the 2nd ~~[\$4,000]~~ **\$8,000** of combined income;

25 (iii) 5.5% of the 3rd ~~[\$4,000]~~ **\$8,000** of combined income;

26 (iv) 7.5% of the 4th ~~[\$4,000]~~ **\$8,000** of combined income; and

27 (v) 9% of the combined income over ~~[\$16,000]~~ **\$32,000**.

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

29 (1) more than ~~[\$750]~~ **\$1,500**;

30 (2) granted to any renter whose combined net worth exceeds \$200,000  
31 as of December 31 of the calendar year for which the property tax relief is sought;

1 (3) granted to any renter whose dwelling is exempt from property tax;  
2 and

3 (4) granted if the credit under this section is less than \$1 in any year.

4 (j) (1) The Department shall:

5 (i) process applications upon receipt;

6 (ii) certify to the Comptroller the property tax relief under this  
7 section due each renter; and

8 (iii) make the certifications required under item (ii) of this  
9 paragraph no less frequently than each month.

10 (2) The Comptroller shall pay the amount to the renter upon receipt of  
11 the certification from the Department.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 July 1, 2014.