

SENATE BILL 1043

Q1

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By: **Senator Jennings (By Request)**

Introduced and read first time: February 18, 2016

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners' Property Tax Credit – Eligibility – Cost-of-Living Adjustment**

3 FOR the purpose of altering, for purposes of determining eligibility for a certain
4 homeowners' property tax credit, certain limitations on a homeowner's combined net
5 worth and gross income amounts for certain taxable years based on a certain
6 cost-of-living adjustment percentage; requiring the State Department of
7 Assessments and Taxation to determine a certain cost-of-living adjustment
8 percentage by a certain date each year based on the increase in a certain consumer
9 price index for a certain period; and generally relating to a certain homeowners'
10 property tax credit.

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 9–104(k)
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2015 Supplement)

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

18 **Article – Tax – Property**

19 9–104.

20 (k) (1) A property tax credit under this section may not be granted to a
21 homeowner whose combined net worth exceeds \$200,000 as of December 31 of the calendar
22 year that precedes the year in which the homeowner applies for the property tax credit or
23 whose combined gross income exceeds \$60,000 in that same calendar year.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (I) FOR PROPERTY TAX CREDITS GRANTED FOR EACH TAXABLE
2 YEAR BEGINNING AFTER JUNE 30, 2017, THE COMBINED NET WORTH AND
3 COMBINED GROSS INCOME LIMITATION AMOUNTS SPECIFIED IN PARAGRAPH (1) OF
4 THIS SUBSECTION SHALL BE INCREASED BY THE COST-OF-LIVING ADJUSTMENT
5 PERCENTAGE AS DETERMINED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

6 (II) ON OR BEFORE OCTOBER 1, 2016, AND OCTOBER 1 EACH
7 YEAR THEREAFTER, THE DEPARTMENT SHALL DETERMINE THE COST-OF-LIVING
8 ADJUSTMENT PERCENTAGE TO BE APPLIED FOR CREDITS GRANTED FOR THE NEXT
9 TAXABLE YEAR BASED ON THE INCREASE OF THE CONSUMER PRICE INDEX FOR ALL
10 URBAN CONSUMERS IN THE WASHINGTON AND BALTIMORE REGION FOR THE
11 MONTH OF MAY OF THAT YEAR OVER THE MONTH OF MAY OF THE PRECEDING YEAR.

12 (III) IF ANY INCREASE DETERMINED UNDER SUBPARAGRAPH (I)
13 OF THIS PARAGRAPH IS NOT A MULTIPLE OF \$50, THE INCREASE SHALL BE ROUNDED
14 DOWN TO THE NEXT LOWEST MULTIPLE OF \$50.

15 (3) If a property tax credit under this section is less than \$1 in any taxable
16 year, the credit may not be granted.

17 [(3)] (4) A homeowner may claim a property tax credit under this section
18 for only 1 dwelling.

19 [(4)] (5) Except as provided in subsection (v) of this section, if a property
20 tax credit is issued under this section, the credit or a voucher for a credit may be used only
21 in the taxable year in which it was issued or the next succeeding taxable year. However, a
22 homeowner whose dwelling is sold for taxes may receive the credit until the final decree
23 under § 14-844 of this article is entered.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
25 1, 2016.