

HOUSE BILL 610

Q1

1lr1657

By: **Delegate Hill**

Introduced and read first time: January 20, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners' Property Tax Credit – Transfer of Dwelling to Surviving Family**
3 **Member**

4 FOR the purpose of altering eligibility for a certain homeowners' property tax credit to
5 include certain surviving family members of a homeowner who inherit the dwelling
6 of the homeowner or are granted a life estate in the dwelling under certain
7 circumstances; defining a certain term; making stylistic and conforming changes;
8 providing for the application of this Act; and generally relating to the homeowners'
9 property tax credit.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – Property
12 Section 9–104(a)(1), (6), and (9)
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2020 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section 9–104(i) and (q)(1)
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2020 Supplement)

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

22 **Article – Tax – Property**

23 9–104.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (6) "Dwelling" means:

2 (i) for a homeowner who is not a home purchaser, a house that is:

3 1. used as the principal residence of a homeowner and the lot
4 or curtilage on which the house is erected;

5 2. occupied by not more than 2 families; and

6 3. actually occupied or expected to be actually occupied by
7 the homeowner for more than 6 months of a 12-month period, which actual or expected
8 occupancy period shall include July 1 of the taxable year for which the property tax credit
9 under this section is sought; or

10 (ii) for a homeowner who is a home purchaser, a house that is:

11 1. used as the principal residence of a homeowner and the lot
12 or curtilage on which the house is erected;

13 2. occupied by not more than 2 families; and

14 3. actually occupied or expected to be actually occupied by
15 the home purchaser for the remainder of the taxable year for which the property tax credit
16 under this section is sought.

17 (9) (i) "Homeowner" means an individual who:

18 1. on July 1 of the taxable year for which the tax credit is to
19 be allowed:

20 A. actually resides in a dwelling in which the individual has
21 a legal interest; or

22 B. under a court order or separation agreement, permits a
23 spouse, a former spouse, or a child of the individual's family to reside without payment of
24 rent in a dwelling in which the individual has a legal interest; or

25 2. A. is a home purchaser; and

26 B. actually resides in a dwelling in which the individual has
27 a legal interest, whether or not the individual resides in the dwelling on July 1 of the
28 taxable year for which the tax credit is sought.

29 (ii) "Homeowner" includes a beneficiary of a trust described in 42
30 U.S.C. § 1396p(d)(4), or a trust established for the benefit of an individual with a disability
31 by an individual other than the beneficiary and that is funded with assets that were never
32 owned or controlled by the beneficiary, if, on July 1 of the taxable year for which the tax

1 credit is to be allowed, the beneficiary of the trust is an individual who actually resides in
2 the dwelling.

3 (i) **(1) IN THIS SUBSECTION, "FAMILY MEMBER" MEANS THE RELATIVE**
4 **OF A HOMEOWNER BY BLOOD, ADOPTION, OR MARRIAGE.**

5 **(2) [If a surviving spouse of a homeowner has not remarried and meets the**
6 **qualifications except for age or disability, the] THE property tax credit under this section**
7 **is available to [the unmarried]:**

8 **(I) A surviving spouse OF A HOMEOWNER, IF THE SURVIVING**
9 **SPOUSE HAS NOT REMARRIED AND MEETS THE QUALIFICATIONS FOR THE CREDIT,**
10 **EXCEPT FOR AGE OR DISABILITY; OR**

11 **(II) A SURVIVING FAMILY MEMBER WHO MEETS THE**
12 **QUALIFICATIONS FOR THE CREDIT, EXCEPT FOR AGE OR DISABILITY, IF OWNERSHIP**
13 **OF OR A LIFE ESTATE IN THE DWELLING OF THE HOMEOWNER IS TRANSFERRED TO**
14 **THE SURVIVING FAMILY MEMBER:**

15 **1. UNDER THE TERMS OF THE HOMEOWNER'S WILL OR**
16 **TRUST OR A NONPROBATE INSTRUMENT OF WRITING; OR**

17 **2. UNDER THE LAWS OF INTESTATE SUCCESSION.**

18 (q) (1) **(I) Except [for transfers between spouses, including a conveyance to**
19 **a surviving spouse from the personal representative of a deceased spouse] AS PROVIDED**
20 **IN SUBPARAGRAPH (II) OF THIS PARAGRAPH,** if a homeowner transfers a dwelling that
21 is subject to a property tax credit under this section, the property tax credit ends on the
22 date that the property is transferred.

23 **(II) The credit is not ended UNDER THIS PARAGRAPH if the transfer**
24 **is between:**

25 **1. spouses, INCLUDING A CONVEYANCE TO A SURVIVING**
26 **SPOUSE FROM THE PERSONAL REPRESENTATIVE OF A DECEASED SPOUSE; OR**

27 **2. A DECEASED HOMEOWNER AND A SURVIVING FAMILY**
28 **MEMBER TO WHOM OWNERSHIP OF THE DWELLING IS TRANSFERRED AS PROVIDED**
29 **UNDER SUBSECTION (I) OF THIS SECTION.**

30 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect June
31 **1, 2021, and shall be applicable to all taxable years beginning after June 30, 2021.**