

SENATE BILL 593

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CF HB 158

By: **Senators Zucker, McCray, Carter, Feldman, Hayes, Kagan, King, Kramer, Lee, Smith, Sydnor, Waldstreicher, and Washington**

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homeowners’ Property Tax Credit – Calculation and Refunds**

3 FOR the purpose of altering, for purposes of the homeowners’ property tax credit, the
4 definition of “total real property tax” to exclude certain adjustments based on any
5 other property tax credits claimed against the property tax imposed on a certain
6 dwelling; requiring the State Department of Assessments and Taxation to
7 determine, for certain taxable years, whether a homeowner is owed, as a result of a
8 certain provision of this Act, a refund of property taxes paid by the homeowner;
9 requiring the Department to notify the homeowner and the county within which the
10 homeowner’s dwelling is located of the amount of the refund; requiring the
11 Comptroller, on certification by the Department, to pay eligible homeowners the
12 refund; requiring the refunds to be paid from a certain account; requiring the
13 Governor, for certain fiscal years, to include in the annual budget bill a certain
14 appropriation to a certain account; prohibiting the inclusion of the refund paid under
15 this Act in a homeowner’s gross income for purposes of eligibility for the homeowners’
16 property tax credit during a certain taxable year; providing for the application of this
17 Act; and generally relating to the homeowners’ property tax credit.

18 BY repealing and reenacting, without amendments,

19 Article – Tax – Property

20 Section 9–104(a)(1), (f), and (g)

21 Annotated Code of Maryland

22 (2019 Replacement Volume and 2020 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article – Tax – Property

25 Section 9–104(a)(13)

26 Annotated Code of Maryland

27 (2019 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Tax – Property**

4 9–104.

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

6 (13) (I) “Total real property tax” means the product of the sum of all
7 property tax rates on real property, including special district tax rates, for the taxable year
8 on a dwelling, multiplied by the lesser of:

9 [(i)] 1. \$300,000; or

10 [(ii)] 2. the assessed value of the dwelling reduced by the amount
11 of any assessment on which a property tax credit is granted under § 9–105 of this subtitle.

12 (II) **“TOTAL REAL PROPERTY TAX” DOES NOT INCLUDE ANY**
13 **ADJUSTMENT FOR ANY OTHER PROPERTY TAX CREDIT UNDER THIS TITLE CLAIMED**
14 **AGAINST THE PROPERTY TAX IMPOSED ON THE DWELLING.**

15 (f) A homeowner who meets the requirements of this section shall be granted the
16 property tax credit under this section against the property tax imposed on the real property
17 of the dwelling.

18 (g) (1) Except as provided in subsection (h) of this section, the property tax
19 credit under this section is the total real property tax of a dwelling, less the percentage of
20 the combined income of the homeowner that is described in paragraph (2) of this subsection.

21 (2) The percentage is:

22 (i) 0% of the 1st \$8,000 of combined income;

23 (ii) 4% of the next \$4,000 of combined income;

24 (iii) 6.5% of the next \$4,000 of combined income; and

25 (iv) 9% of the combined income over \$16,000.

26 SECTION 2. AND BE IT FURTHER ENACTED, That:

27 (a) For taxable years beginning after June 30, 2017, but before July 1, 2021, the
28 State Department of Assessments and Taxation shall determine whether a homeowner is
29 owed a refund of property taxes paid by the homeowner as a result of the property tax credit
30 under § 9–104 of the Tax – Property Article, as enacted by Section 1 of this Act, and if so,

1 the amount of the refund owed.

2 (b) The State Department of Assessments and Taxation shall notify the
3 homeowner and the county within which the homeowner's dwelling is located of the amount
4 of the refund determined under subsection (a) of this section.

5 (c) (1) Subject to paragraph (2) of this subsection, on certification by the State
6 Department of Assessments and Taxation, the Comptroller shall pay to an eligible
7 homeowner the refund determined under subsection (a) of this section from the Local
8 Reserve Account established under § 2-606 of the Tax – General Article.

9 (2) For each of the fiscal years 2023 through 2028, the Governor shall
10 include in the annual budget bill an appropriation to the Local Reserve Account in an
11 amount equal to one-sixth of the total refunds paid in accordance with paragraph (1) of
12 this subsection from the Local Reserve Account during fiscal year 2022.

13 (d) Notwithstanding any other provision of law, for the taxable year beginning
14 after June 30, 2021, but before July 1, 2022, a refund paid to a homeowner in accordance
15 with this section may not be included in the calculation of the homeowner's gross income
16 for purposes of eligibility for the property tax credit under § 9-104 of the Tax – Property
17 Article.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
19 1, 2021, and shall be applicable to all taxable years beginning after June 30, 2017.