SENATE BILL 286

Q1

(4lr0013)

ENROLLED BILL

- Budget and Taxation/Ways and Means -

Introduced by Chair, Budget and Taxation Committee (By Request – Departmental – Assessments and Taxation)

Read and Examined by Proofreaders:

| | Proofreader. |
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| | Proofreader. |
| | Sealed with the Great Seal and presented to the Governor, for his approval this |
| | day of at o'clock,M. |
| | President. |
| | CHAPTER |
| 1 | AN ACT concerning |
| 2 | Homeowners' Property Tax Credit – Application Filing Deadline – Extension for |
| 3 | Homeowner Protection Program Enrollees |
| 4 | <u>Homeowners' and Homestead Property Tax Credits – Application Filing</u> |
| 5 | <u>Deadline – Extension</u> |
| 6 7 | FOR the purpose of authorizing the State Department of Assessments and Taxation to accept an application for the homeowners' property tax credit submitted by a certain |
| 8 | homeowner within a certain period of time if the homeowner is enrolled in the |
| 9 10 | Homeowner Protection Program; altering the number of taxable years a homeowner may be retroactively qualified by the Department for the homestead property tax |
| 10 | eredit; providing for the calculation of the homestead property tax credit for certain |
| 11 | <u>homeowners under certain circumstances</u> ; and generally relating to the homeowners' |
| 13 | and homestead property tax credit <u>credits</u> . |
| | |

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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

Italics indicate opposite chamber/conference committee amendments.



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| $ \begin{array}{c} 1 \\ 2 \\ 3 \\ 4 \\ 5 \end{array} $ | BY repealing and reenacting, with amendments, Article – Tax – Property Section 9–104(u) <u>and 9–105(d)(7)</u> Annotated Code of Maryland (2019 Replacement Volume and 2023 Supplement) |
|---|---|
| $ \begin{array}{c} 6 \\ 7 \\ 8 \\ 9 \\ 10 \end{array} $ | <u>BY adding to</u> <u>Article – Tax – Property</u> <u>Section 9–105(d)(8)</u> <u>Annotated Code of Maryland</u> (2019 Replacement Volume and 2023 Supplement) |
| $\begin{array}{c} 11 \\ 12 \end{array}$ | SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: |
| 13 | Article – Tax – Property |
| 14 | 9–104. |
| $\begin{array}{c} 15\\ 16\end{array}$ | (u) (1) Under the conditions set forth in this subsection, the Department may accept an application from a homeowner within: |
| 17 18 | (i) 1 year after April 15 of the taxable year for which the property tax credit under this section is sought, if the homeowner: |
| 19 | 1. is applying for the first time; or |
| 20 21 22 | 2. has filed an application on or before October 1 in each of the 3 taxable years immediately preceding the taxable year for which the credit is sought; or |
| $\begin{array}{c} 23\\ 24 \end{array}$ | (ii) 3 years after April 15 of the taxable year for which a credit is sought, if the homeowner IS: |
| $\frac{25}{26}$ | 1. A. [is] at least 70 years old as of the taxable year for which a credit is sought; [and] OR |
| 27 28 29 | B. ENROLLED IN THE HOMEOWNER PROTECTION PROGRAM ESTABLISHED UNDER TITLE 14, SUBTITLE 8, PART VII OF THIS ARTICLE; AND |
| $\begin{array}{c} 30\\ 31 \end{array}$ | 2. was eligible for the credit under this section for the taxable year for which the credit is sought. |
| 32 33 | (2) A homeowner may apply to the Department for a property tax credit under this section by filing an application on the form that the Department provides. |

SENATE BILL 286

1 (3) The homeowner shall state under oath that the facts in the application 2 are true.

3 (4) To substantiate the application, the Department may require the 4 homeowner to provide a copy of an income tax return, or other evidence detailing gross 5 income or net worth.

6 (5) On certification by the Department, the Comptroller shall pay to the 7 homeowner the property tax credit due under this section.

8 <u>SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read</u>
 9 <u>as follows:</u>

10

<u> Article – Tax – Property</u>

11 <u>9–105.</u>

12 If a homeowner submits an application to the Department under this (d) (7)section and the Department determines that the homeowner was eligible for the credit in 13**Ithel A** prior taxable year but failed to file an application for the credit as required under 14 15this subsection: 16 the homeowner shall be retroactively qualified for the (i) Homestead Property Tax Credit Program for [the] UP TO 2 prior taxable [vear] YEARS: 1718 and 19 the Department shall calculate the [prior year's] taxable (iii) s if the credit had been granted for [the] UP TO 2 prior taxable [year] YEARS. 20 21*9–105*. 22(8) *(I)* THIS PARAGRAPH SHALL BE INTERPRETED BROADLY TO (d)23**APPLY TO ANY HOMEOWNER WHO:** 241. IS AT LEAST 70 YEARS OF AGE; 252. WAS ELIGIBLE FOR THE CREDIT IN THE PRIOR 26TAXABLE YEAR BUT FAILED TO FILE AN APPLICATION FOR THE CREDIT; AND 273. APPLIES FOR A CREDIT FOR THE CURRENT TAXABLE 28YEAR. 29FOR HOMEOWNERS THAT MEET THE CRITERIA UNDER *(II)* SUBPARAGRAPH (I) OF THIS PARAGRAPH. THE DEPARTMENT SHALL CALCULATE THE 30

SENATE BILL 286

| 1 | CURRENT YEAR'S TAXABLE ASSESSMENT AS IF THE CREDIT HAD BEEN GRANTED FOR |
|-----------------|--|
| 2 | THE PRIOR TAXABLE YEAR. |
| | |
| 3 | (III) <u>A HOMEOWNER WHO MEETS THE CRITERIA UNDER</u> |
| 4 | SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NOT DUE A REIMBURSEMENT OF |
| 5 | <u>PROPERTY TAXES PAID IN PRIOR TAXABLE YEARS.</u> |
| 6 | SECTION 2. AND BE IT FURTHER ENACTED, That: |
| $\overline{7}$ | (a) Notwithstanding any other provision in § $9-105$ of the Tax – Property Article |
| 8 | as enacted under Section 1 of this Act, this Section shall be interpreted broadly to apply to |
| 9 | any homeowner, as defined under § 9–105 of the Tax – Property Article, who: |
| 10 | (1) is at least 70 years of age; |
| | |
| 11 19 | (2) was eligible for the homestead credit in the second prior taxable year but failed to file an application for the credit; and |
| 12 | <u>failed to file an application for the creati; and</u> |
| 13 | (3) on or before May 31, 2025, applies for a credit for the current taxable |
| 14 | year. |
| | |
| 15 | (b) For homeowners that meet the criteria under subsection (a) of this section, the |
| 16 | State Department of Assessments and Taxation shall calculate the current year's taxable |
| 17 | assessment as if the credit had been granted for the two prior taxable years. |
| 18 | (c) <u>A homeowner who meets the criteria of this Section is not due a reimbursement</u> |
| 19 | of property taxes paid in prior taxable years. |
| 10 | |
| 20 | SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be |
| 21 | <u>applicable to all taxable years beginning after June 30, 2024.</u> |
| | |
| 22 | SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be |
| 23 | <u>applicable to all taxable years beginning after June 30, 2022.</u> |
| 24 | SECTION 2. 5. AND BE IT FURTHER ENACTED, That this Act shall take effect |
| $\frac{24}{25}$ | June 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024. |
| 26 26 | Section 2 of this Act shall remain effective for a period of 1 year and 1 month and, at the end |
| $\overline{27}$ | of June 30, 2025, Section 2 of this Act, with no further action required by the General |
| 28 | Assembly, shall be abrogated and of no further force and effect. |