

HOUSE BILL 1200

Q1, Q3

8lr2658

By: **Delegates Niemann, Barnes, Beidle, Carr, V. Clagett, Frush, Haynes, Holmes, Hucker, Levi, Ross, and Stein**
Introduced and read first time: February 8, 2008
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Property Tax Credit – Administration**

3 FOR the purpose of requiring the Comptroller to provide to the Department of
4 Assessments and Taxation a list of resident individuals with federal adjusted
5 gross income not exceeding a certain maximum specified for eligibility for a
6 certain homeowner's property tax credit; requiring the Department to send
7 notice of the credit and a copy of the application for the credit to certain
8 homeowners; requiring the Department and the Comptroller jointly to perform
9 a certain study and submit a certain report; and generally relating to the
10 administration of a certain homeowner's property tax credit.

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 9–104(f) and (m)
14 Annotated Code of Maryland
15 (2007 Replacement Volume)

16 BY repealing and reenacting, without amendments,
17 Article – Tax – Property
18 Section 9–104(k)(1)
19 Annotated Code of Maryland
20 (2007 Replacement Volume)

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

23 **Article – Tax – Property**

24 9–104.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (f) (1) The Comptroller shall include, in each package of income tax forms
2 and instructions, notice of the availability of a property tax credit under this section.
3 Notice shall include any information needed to convey:

4 (i) eligibility;

5 (ii) filing deadlines;

6 (iii) applicable limitations; and

7 (iv) contact information for application forms.

8 (2) Notice in the package of income tax forms and instructions shall
9 be:

10 (i) prominently placed;

11 (ii) printed in an open typeface, such as Helvetica, no smaller
12 than 10 points; and

13 (iii) positioned and colored to distinguish it from income tax
14 material.

15 **(3) NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL**
16 **ARTICLE, ON OR BEFORE JUNE 1 OF EACH YEAR, BASED ON INCOME TAX**
17 **RETURNS FILED ON OR BEFORE THE DUE DATE FOR FILING AN INCOME TAX**
18 **RETURN WITHOUT REGARD TO ANY EXTENSION OF TIME TO FILE A RETURN, THE**
19 **COMPTROLLER SHALL PROVIDE TO THE DEPARTMENT A LIST OF RESIDENT**
20 **INDIVIDUALS FILING INCOME TAX RETURNS FOR THE PRECEDING CALENDAR**
21 **YEAR WITH FEDERAL ADJUSTED GROSS INCOME LESS THAN OR EQUAL TO THE**
22 **MAXIMUM COMBINED GROSS INCOME SPECIFIED UNDER SUBSECTION (K) OF**
23 **THIS SECTION FOR ELIGIBILITY FOR THE PROPERTY TAX CREDIT UNDER THIS**
24 **SECTION.**

25 ~~[(3)]~~ (4) For income verification, the Comptroller shall:

26 (i) cooperate with the Department in adopting a procedure to
27 audit the application forms; and

28 (ii) notwithstanding § 13-202 of the Tax - General Article,
29 supply the Department with additional information.

30 ~~[(4)]~~ (5) The Comptroller shall assist the Department in a postaudit
31 of each application.

32 (k) (1) A property tax credit under this section may not be granted to a
33 homeowner whose combined net worth exceeds \$200,000 as of December 31 of the

1 calendar year that precedes the year in which the homeowner applies for the property
2 tax credit or whose combined gross income exceeds \$60,000 in that same calendar
3 year.

4 (m) (1) Except as provided in subsections (n) and (v) of this section, on or
5 before September 1 of the taxable year in which the property tax credit under this
6 section is sought, a homeowner may apply to the Department for a property tax credit
7 under this section. The application shall be made on the form that the Department
8 provides.

9 (2) (i) For good cause, the Department may accept an application
10 after September 1 but on or before October 31 of the taxable year.

11 (ii) The Department shall notify the homeowner in writing of its
12 acceptance or rejection of a late application.

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

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

18 **(5) ON OR BEFORE JULY 1 OF EACH YEAR, BASED ON**
19 **INFORMATION PROVIDED BY THE COMPTROLLER UNDER SUBSECTION (F)(3) OF**
20 **THIS SECTION AND OTHER INFORMATION AVAILABLE TO THE DEPARTMENT,**
21 **THE DEPARTMENT SHALL SEND NOTICE OF THE PROPERTY TAX CREDIT UNDER**
22 **THIS SECTION AND A COPY OF THE APPLICATION FOR THE CREDIT TO ANY**
23 **POTENTIALLY ELIGIBLE HOMEOWNER WHO HAS NOT ALREADY SUBMITTED AN**
24 **APPLICATION FOR THE CREDIT.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of
26 Assessments and Taxation and the Comptroller jointly shall study alternatives for the
27 application process for the Homeowners Circuit Breaker Property Tax Credit under §
28 9-104 of the Tax – Property Article and develop a plan for automating the application
29 process for the credit. On or before December 31, 2008, subject to § 2-1246 of the
30 State Government Article, the Department and the Comptroller jointly shall report
31 the results of the study and present a plan for automating the application process for
32 the property tax credit to the Committee on Ways and Means and the Budget and
33 Taxation Committee of the General Assembly.

34 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 June 1, 2008.