

# HOUSE BILL 158

Q1

(PRE-FILED)

11r0930  
CF SB 593

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By: **Delegates Carr, Bagnall, Belcastro, Cox, Crutchfield, Henson, Hornberger, C. Jackson, Johnson, D. Jones, Kerr, Krimm, R. Lewis, Lierman, McComas, Palakovich Carr, Saab, Solomon, and Terrasa**

Requested: October 12, 2020

Introduced and read first time: January 13, 2021

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2021

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## CHAPTER \_\_\_\_\_

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 additional homeowners’ property tax credits in the form of a refund; requiring the  
10 Department to notify the homeowner and the county within which the homeowner’s  
11 dwelling is located of the amount of the refund; requiring the Comptroller, on  
12 certification by the Department, to pay eligible homeowners the refund; requiring  
13 the refunds to be paid from a certain account; requiring the Governor, for certain  
14 fiscal years, to include in the annual budget bill a certain appropriation to a certain  
15 account; prohibiting the inclusion of the refund paid under this Act in a homeowner’s  
16 gross income for purposes of eligibility for the homeowners’ property tax credit  
17 during a certain taxable year; providing for the application of this Act; and generally  
18 relating to the homeowners’ property tax credit.

19 BY repealing and reenacting, without amendments,

20 Article – Tax – Property

21 Section 9–104(a)(1), (f), and (g)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 Annotated Code of Maryland  
2 (2019 Replacement Volume and 2020 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article – Tax – Property  
5 Section 9–104(a)(13)  
6 Annotated Code of Maryland  
7 (2019 Replacement Volume and 2020 Supplement)

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

10 **Article – Tax – Property**

11 9–104.

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

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

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

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

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

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

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

28 (2) The percentage is:

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

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

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

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

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

3 (a) For taxable years beginning after June 30, 2017, but before July 1, 2021, the  
4 State Department of Assessments and Taxation shall determine whether a homeowner is  
5 owed ~~a refund of property taxes paid by the homeowner~~ additional State homeowners'  
6 property tax credits as a result of the property tax credit under § 9–104 of the Tax –  
7 Property Article, as enacted by Section 1 of this Act, and if so, the amount of the refund  
8 owed.

9 (b) The State Department of Assessments and Taxation shall notify the  
10 homeowner and the county within which the homeowner’s dwelling is located of the amount  
11 of the refund determined under subsection (a) of this section.

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

16 (2) For each of the fiscal years 2023 through ~~2028~~ 2037, the Governor shall  
17 include in the annual budget bill an appropriation to the Local Reserve Account in an  
18 amount equal to ~~one-sixth~~ one-fifteenth of the total refunds paid in accordance with  
19 paragraph (1) of this subsection from the Local Reserve Account during fiscal year 2022.

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

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
26 1, 2021, and shall be applicable to all taxable years beginning after June 30, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.