

# HOUSE BILL 1348

Q1

4lr3086

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By: **Delegate Feldmark**

Introduced and read first time: February 9, 2024

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit – Calculation of Credit Percentage – Social**  
3 **Security Benefits**

4 FOR the purpose of altering the calculation of the homestead property tax credit percentage  
5 if more than a certain percentage of a homeowner's household income is composed of  
6 Social Security benefits; and generally relating to the calculation of the homestead  
7 property tax credit.

8 BY repealing and reenacting, without amendments,  
9 Article – Tax – Property  
10 Section 9–105(b)  
11 Annotated Code of Maryland  
12 (2019 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – Property  
15 Section 9–105(e)  
16 Annotated Code of Maryland  
17 (2019 Replacement Volume and 2023 Supplement)

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

### Article – Tax – Property

20 9–105.

22 (b) (1) If there is an increase in property assessment as calculated under this  
23 section, the State and the governing body of each county and of each municipal corporation  
24 shall grant a property tax credit under this section against the State, county, and municipal

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 corporation property tax imposed on real property by the State, county, or municipal  
2 corporation.

3 (2) A property tax credit granted under this section shall be applicable to  
4 any State, county, or municipal corporation property tax and any property tax imposed for  
5 a bicounty commission.

6 (e) (1) For each taxable year, the property tax credit under this section is  
7 calculated by:

8 (i) multiplying the prior year's taxable assessment by the  
9 homestead credit percentage as provided under paragraph (2) **OR (6)** of this subsection;

10 (ii) subtracting that amount from the current year's assessment; and

11 (iii) if the difference is a positive number, multiplying the difference  
12 by the applicable property tax rate for the current year.

13 (2) **[For] EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS**  
14 **SUBSECTION, FOR** each taxable year, the homestead credit percentage under paragraph  
15 (1)(i) of this subsection is:

16 (i) for the State property tax and for any property tax imposed for a  
17 bicounty commission, 110%;

18 (ii) for the county property tax:

19 1. the homestead credit percentage established by the county  
20 under paragraph (3) of this subsection; or

21 2. if the county has not set a percentage for the taxable year  
22 under paragraph (3) of this subsection or has not notified the Department as required under  
23 paragraph **[(6)] (7)** of this subsection, the homestead credit percentage in effect for the  
24 county for the preceding taxable year; and

25 (iii) for the municipal corporation property tax:

26 1. the homestead credit percentage established by the  
27 municipal corporation under paragraph (4) of this subsection; or

28 2. if the municipal corporation has not set a percentage  
29 under paragraph (4) of this subsection or has not notified the Department as required under  
30 paragraph **[(7)] (8)** of this subsection, the homestead credit percentage for the taxable year  
31 for the county in which the property is located.

32 (3) Subject to paragraph (5) of this subsection, the Mayor and City Council  
33 of Baltimore City and the governing body of a county on or before March 15 of any year

1 shall set, by law, the homestead credit percentage for the taxable year beginning the  
2 following July 1.

3 (4) Subject to paragraph (5) of this subsection, on or before March 25 of any  
4 year, the governing body of a municipal corporation may set or alter, by law, a homestead  
5 credit percentage for the taxable year beginning the following July 1 and any subsequent  
6 taxable year.

7 (5) The homestead credit percentage for any county or municipal  
8 corporation property tax:

9 (i) may not be less than 100% or exceed 110% for any taxable year;  
10 and

11 (ii) shall be expressed in increments of 1 percentage point.

12 (6) **(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
13 **PARAGRAPH, IF SOCIAL SECURITY BENEFITS COMPOSE MORE THAN 50% OF A**  
14 **HOMEOWNER'S HOUSEHOLD INCOME, THE HOMESTEAD CREDIT PERCENTAGE FOR**  
15 **THE STATE, BICOUNTY COMMISSION, COUNTY, AND MUNICIPAL CORPORATION**  
16 **PROPERTY TAX SHALL BE THE LESSER OF:**

17 **1. THE CREDIT PERCENTAGE ESTABLISHED UNDER**  
18 **PARAGRAPH (2) OF THIS SUBSECTION; OR**

19 **2. A PERCENTAGE EQUAL TO THE PERCENTAGE POINT**  
20 **CHANGE IN THE COST-OF-LIVING ADJUSTMENT TO SOCIAL SECURITY BENEFITS**  
21 **FOR THE CURRENT YEAR COMPARED TO THE PREVIOUS YEAR, PLUS 100.**

22 **(II) IF THE COST-OF-LIVING ADJUSTMENT TO SOCIAL**  
23 **SECURITY BENEFITS IS A NEGATIVE NUMBER, THEN THE PERCENTAGE POINT**  
24 **CHANGE USED IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH SHALL BE 0.**

25 **(III) PARAGRAPH (5)(II) OF THIS SUBSECTION DOES NOT APPLY**  
26 **TO THE CALCULATION OF THE HOMESTEAD CREDIT PERCENTAGE UNDER THIS**  
27 **PARAGRAPH.**

28 **(7)** The Mayor and City Council of Baltimore City and the governing body  
29 of a county shall notify the Department of any action taken under paragraph (3) of this  
30 subsection on or before March 15 preceding the taxable year for which the action is taken.

31 **[(7)] (8)** A municipal corporation shall notify the Department of any  
32 action taken under paragraph (4) of this subsection on or before March 25 preceding the  
33 taxable year for which the action is taken.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024.