

HOUSE BILL 44

Q1

(PRE-FILED)

4lr1169
CF 4lr1529

By: **Delegate Charkoudian**

Requested: October 25, 2023

Introduced and read first time: January 10, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs –**
3 **Gross Income and Assessed Value Limitations – Alterations**

4 FOR the purpose of altering the definition of “gross income” to exclude certain public
5 assistance for purposes of the renters' property tax relief program and the
6 homeowners' property tax credit program; increasing certain combined gross income
7 limits used to determine eligibility for the tax credits; increasing the maximum
8 assessed value of a dwelling on which the homeowners' property tax credit is
9 calculated; and generally relating to property tax credits for renters and
10 homeowners.

11 BY repealing and reenacting, without amendments,
12 Article – Tax – Property
13 Section 9–102(a)(1), (b), and (h)(1) and 9–104(a)(1) and (3), (f), and (g)(1)
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – Property
18 Section 9–102(a)(6) and (9) and 9–104(a)(8) and (14) and (j)(1)
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2023 Supplement)

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

23 **Article – Tax – Property**

24 9–102.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

(6) (i) “Gross income” means the total income from all sources for the calendar year that immediately precedes the taxable year, whether or not the income is included in the definition of gross income for federal or State tax purposes.

(ii) “Gross income” includes:

1. any benefit under the Social Security Act or the Railroad Retirement Act;
2. the aggregate of gifts over \$300;
3. alimony;
4. support money;
5. any nontaxable strike benefit;
6. [public assistance received in a cash grant;
- 7.] a pension;
- [8.] 7. an annuity;
- [9.] 8. any unemployment insurance benefit;
- [10.] 9. any workers’ compensation benefit; and
- [11.] 10. the net income received from a business, rental, or other endeavor.

(iii) “Gross income” does not include:

1. any income tax refund received from the State or federal government, including any refundable portion of the federal earned income tax credit; [or]
2. any loss from business, rental, or other endeavor; **OR**
- 3. PUBLIC ASSISTANCE RECEIVED IN A CASH GRANT.**

(9) “Renter” means an individual, who during the calendar year for which the property tax relief under this section is sought, actually occupies a dwelling in which the individual has a leasehold interest and who:

(i) is at least 60 years old;

(ii) has been found permanently and totally disabled and has qualified for benefits under:

1. the Social Security Act;
2. the Railroad Retirement Act;
3. any federal act for members of the United States armed forces; or
4. any federal retirement system;

(iii) has been found permanently and totally disabled by a county health officer or the Baltimore City Commissioner of Health; or

(iv) is under the age of 60 years and:

1. has gross income [below the poverty threshold that is established by the U.S. Department of Commerce, Bureau of the Census in August of the previous calendar year] **NOT EXCEEDING \$70,000**;
2. has 1 or more dependent children under 18 years old living with the renter; and
3. does not receive federal or State housing subsidies or reside in public housing.

(b) There is a property tax relief program for any renter.

(h) (1) The property tax relief that a renter may receive under this section is the assumed property tax on real property less a percentage of the combined income of the renter.

9–104.

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

(3) “Combined income” means the combined gross income of all individuals who actually reside in a dwelling except an individual who:

- (i) is a dependent of the homeowner under § 152 of the Internal Revenue Code; or
- (ii) pays a reasonable amount for rent or room and board.

(8) (i) “Gross income” means the total income from all sources for the

calendar year that immediately precedes the taxable year, whether or not the income is included in the definition of gross income for federal or State tax purposes.

(ii) “Gross income” includes:

1. any benefit under the Social Security Act or the Railroad Retirement Act;
2. the aggregate of gifts over \$300;
3. alimony;
4. support money;
5. any nontaxable strike benefit;
6. [public assistance received in a cash grant;
- 7.] a pension;
- [8.] 7. an annuity;
- [9.] 8. any unemployment insurance benefit;
- [10.] 9. any workers’ compensation benefit;
- [11.] 10. the net income received from a business, rental, or other endeavor;
- [12.] 11. any withdrawal, payment, or distribution from an individual retirement account;
- [13.] 12. any withdrawal, payment, or distribution from any qualified retirement savings plan; and
- [14.] 13. any rent on the dwelling, including the rent from a room or apartment.

(iii) “Gross income” does not include:

1. any income tax refund received from the State or federal government; [or]
2. any loss from business, rental, or other endeavor; **OR**
3. **PUBLIC ASSISTANCE RECEIVED IN A CASH GRANT.**

1 (14) (i) “Total real property tax” means the product of the sum of all
2 property tax rates on real property, including special district tax rates, for the taxable year
3 on a dwelling, multiplied by the lesser of:

4 1. ~~[\$300,000]~~ **\$450,000**; or

5 2. the assessed value of the dwelling reduced by the amount
6 of any assessment on which a property tax credit is granted under § 9–105 of this subtitle.

7 (ii) “Total real property tax” does not include any adjustment for any
8 other property tax credit under this title claimed against the property tax imposed on the
9 dwelling.

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

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

16 (j) (1) A property tax credit under this section may not be granted to a
17 homeowner whose combined net worth exceeds \$200,000 as of December 31 of the calendar
18 year that precedes the year in which the homeowner applies for the property tax credit or
19 whose combined gross income exceeds ~~[\$60,000]~~ **\$70,000** in that same calendar year.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
21 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024.