

HOUSE BILL 651

Q1

3lr2461

By: **Delegates Grossman, Allen, Attar, Fair, Guzzone, Henson, and Palakovich Carr**

Introduced and read first time: February 6, 2023

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Renters' Property Tax Relief Program – Evaluation and Reporting Requirement**

3 FOR the purpose of requiring the State Department of Assessments and Taxation to
4 evaluate, as compared to inflation, a certain income limitation on eligibility for and
5 the calculation of a certain property tax credit under the renters' property tax relief
6 program and to report its findings and recommendations to the General Assembly
7 on or before certain dates; and generally relating to the renters' property tax relief
8 program.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – Property
11 Section 9–102(a)(1), (2), (4), (6), and (7), (b), (h), and (i)
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2022 Supplement)

14 BY adding to
15 Article – Tax – Property
16 Section 9–102(k)
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2022 Supplement)

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

Article – Tax – Property

22 9–102.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) (i) “Assets” include:

1. real property;
2. cash;
3. savings accounts;
4. stocks;
5. bonds; and
6. any other investment.

(ii) “Assets” do not include:

1. the cash value of the life insurance policies on the life of the renter; or
2. tangible personal property.

(4) “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 renter under § 152 of the Internal Revenue Code; or
- (ii) pays a reasonable amount for rent or room and board.

(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. an annuity;
9. any unemployment insurance benefit;
10. any workers' compensation benefit; and
11. 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.

(7) "Net worth" means the sum of the current market value of all assets, less any outstanding liability.

(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.

(2) The percentage is:

- (i) 0% of the 1st \$4,000 of combined income;
- (ii) 2.5% of the 2nd \$4,000 of combined income; and
- (iii) 5.5% of the combined income over \$8,000.

(i) The property tax relief under this section may not be:

- (1) more than \$1,000;
- (2) granted to any renter whose combined net worth exceeds \$200,000 as of December 31 of the calendar year for which the property tax relief is sought;
- (3) granted to any renter whose dwelling is exempt from property tax; and
- (4) granted if the credit under this section is less than \$1 in any year.

1 **(K) ON OR BEFORE DECEMBER 1, 2023, AND EVERY 5 YEARS THEREAFTER,**
2 **THE DEPARTMENT SHALL:**

3 **(1) EVALUATE, AS COMPARED TO INFLATION, THE INCOME**
4 **LIMITATION ON ELIGIBILITY FOR AND CALCULATION OF THE RENTERS' PROPERTY**
5 **TAX CREDIT UNDER SUBSECTIONS (H) AND (I)(2) OF THIS SECTION; AND**

6 **(2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**
7 **2-1257 OF THE STATE GOVERNMENT ARTICLE, THE DEPARTMENT'S FINDINGS AND**
8 **RECOMMENDATIONS ON ADJUSTING FOR INFLATION THE INCOME ELIGIBILITY**
9 **REQUIREMENTS AND CALCULATION OF THE RENTERS' PROPERTY TAX CREDIT**
10 **UNDER SUBSECTIONS (H) AND (I)(2) OF THIS SECTION.**

11 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June**
12 **1, 2023.**