SENATE BILL 286

Q1 (4lr0013)

ENROLLED BILL

— Budget and Taxation/Ways and Means —

Introduced by **Chair, Budget and Taxation Committee (By Request – Departmental – Assessments and Taxation)**

Read and Examined by Proofreaders:

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Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_______ day of _______________ at ________________________ o'clock, ________M.

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President.

CHAPTER ______

AN ACT concerning

~~**Homeowners' Property Tax Credit – Application Filing Deadline – Extension for Homeowner Protection Program Enrollees**~~

<u>**Homeowners' and Homestead Property Tax Credits – Application Filing Deadline – Extension**</u>

FOR the purpose of authorizing the State Department of Assessments and Taxation to accept an application for the homeowners' property tax credit submitted by a certain homeowner within a certain period of time if the homeowner is enrolled in the Homeowner Protection Program; ~~altering the number of taxable years a homeowner may be retroactively qualified by the Department for the homestead property tax credit;~~ <u>*providing for the calculation of the homestead property tax credit for certain homeowners under certain circumstances;*</u> and generally relating to the homeowners' <u>and homestead</u> property tax ~~credit~~ <u>credits</u>.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
<u>Underlining</u> indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.
Italics indicate opposite chamber/conference committee amendments.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–104(u) ~~and 9–105(d)(7)~~
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

BY adding to
Article – Tax – Property
Section 9–105(d)(8)
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

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

Article – Tax – Property

9–104.

(u) (1) Under the conditions set forth in this subsection, the Department may accept an application from a homeowner within:

(i) 1 year after April 15 of the taxable year for which the property tax credit under this section is sought, if the homeowner:

1. is applying for the first time; or

2. has filed an application on or before October 1 in each of the 3 taxable years immediately preceding the taxable year for which the credit is sought; or

(ii) 3 years after April 15 of the taxable year for which a credit is sought, if the homeowner **IS**:

1. **A.** **[**is**]** at least 70 years old as of the taxable year for which a credit is sought; **[**and**]** **OR**

B. ENROLLED IN THE HOMEOWNER PROTECTION PROGRAM ESTABLISHED UNDER TITLE 14, SUBTITLE 8, PART VII OF THIS ARTICLE; AND

2. was eligible for the credit under this section for the taxable year for which the credit is sought.

(2) A homeowner may apply to the Department for a property tax credit under this section by filing an application on the form that the Department provides.

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

(4) To substantiate the application, the Department may require the homeowner to provide a copy of an income tax return, or other evidence detailing gross income or net worth.

(5) On certification by the Department, the Comptroller shall pay to the homeowner the property tax credit due under this section.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article – Tax – Property~~

~~9–105.~~

~~(d) (7) If a homeowner submits an application to the Department under this section and the Department determines that the homeowner was eligible for the credit in [the] A prior taxable year but failed to file an application for the credit as required under this subsection:~~

~~(i) the homeowner shall be retroactively qualified for the Homestead Property Tax Credit Program for [the] UP TO 2 prior taxable [year] YEARS; and~~

~~(ii) the Department shall calculate the [prior year's] taxable assessment as if the credit had been granted for [the] UP TO 2 prior taxable [year] YEARS.~~

9–105.

(d) ***(8) (I) THIS PARAGRAPH SHALL BE INTERPRETED BROADLY TO APPLY TO ANY HOMEOWNER WHO:***

1. IS AT LEAST 70 YEARS OF AGE;

2. WAS ELIGIBLE FOR THE CREDIT IN THE PRIOR TAXABLE YEAR BUT FAILED TO FILE AN APPLICATION FOR THE CREDIT; AND

3. APPLIES FOR A CREDIT FOR THE CURRENT TAXABLE YEAR.

(II) FOR HOMEOWNERS THAT MEET THE CRITERIA UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT SHALL CALCULATE THE

CURRENT YEAR'S TAXABLE ASSESSMENT AS IF THE CREDIT HAD BEEN GRANTED FOR THE PRIOR TAXABLE YEAR.

(III) A HOMEOWNER WHO MEETS THE CRITERIA UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NOT DUE A REIMBURSEMENT OF PROPERTY TAXES PAID IN PRIOR TAXABLE YEARS.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Notwithstanding any other provision in § 9–105 of the Tax – Property Article as enacted under Section 1 of this Act, this Section shall be interpreted broadly to apply to any homeowner, as defined under § 9–105 of the Tax – Property Article, who:

(1) is at least 70 years of age;

(2) was eligible for the homestead credit in the second prior taxable year but failed to file an application for the credit; and

(3) on or before May 31, 2025, applies for a credit for the current taxable year.

(b) For homeowners that meet the criteria under subsection (a) of this section, the State Department of Assessments and Taxation shall calculate the current year's taxable assessment as if the credit had been granted for the two prior taxable years.

(c) A homeowner who meets the criteria of this Section is not due a reimbursement of property taxes paid in prior taxable years.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after June 30, 2024.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2022.

SECTION ~~2.~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2024~~, and shall be applicable to all taxable years beginning after June 30, 2024~~. *Section 2 of this Act shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2025, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*