COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Silverman

AN EXPEDITED ACT to:

(1) revise the County tax credit supplement to the state homeowners property tax credit program;
(2) update a certain reference in the County law authorizing a property tax credit to offset certain increases in income tax revenues; and
(3) generally amend the law governing County property tax credits.

By amending
Montgomery County Code
Chapter 52, Taxation
Sections 52-11A and 52-11B

The County Council for Montgomery County, Maryland approves the following Act:
Sec. 1. Sections 52-11A and 52-11B are amended as follows:

52-11A. Homeowners property tax credit.

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

(6) Total real property tax means the product of the sum of all property tax rates on real property, including special service area rates, but not including State and municipal district rates, for the taxable year on a dwelling, multiplied by the lesser of:

(A) $300,000; or
(B) the assessed value of the dwelling less: the amount of any assessment on which a property tax credit is granted under Section 9-105, and reduced by any "save harmless" credit mandated under Section 9-101 of the Tax-Property Article of the Maryland Code.

(c) Amount.

(1) The County supplemental property tax credit is the total real property tax on a dwelling, less:

(A) the percentage of the combined gross income of the homeowner calculated under paragraph (2), and

(B) the property tax credit granted under Section 9-104.

(2) The allowable percentage of combined gross income is:

(A) 0% of the first $8,000; [20,000] 15,000;

(B) 2[.5]% of the next $6,000;

(C) 5% of the next $[5,000] 7,000:
6.5% of the next $9,000; [8,500]; 8% of the next $8,000; [(E)]

5% 8% of the next $5,000; [(F)] and

[(G)] 2.5% of any combined gross income over $41,000 [(49,000)] 36,500.

52-11B. Credit to offset certain income tax revenues.

The County Council must set the amount or rate of the credit under this Section annually by resolution, adopted no later than the date the Council sets the property tax rates. A public hearing must be held, with at least 15 days’ notice, before the Council adopts a resolution under this Section. The amount or rate of the credit must, in the Council’s judgment, offset some or all of the income tax revenue resulting from a County income tax rate higher than [50] 2.6%. The Council must set the amount of the credit at zero for any tax year in which the rate of the County income tax does not exceed [50] 2.6%.

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This act takes effect on July 1, [2004] 2005, and applies to any tax year that begins on or after that date.

Approved:

/s/ 5/31/05

Thomas E. Perez, President, County Council

Date
Approved:

53 /s/ 6/7/05

Douglas M. Duncan, County Executive  Date

54 This is a correct copy of Council action.

55 /s/ 6/13/05

Linda M. Lauer, Clerk of the Council  Date