

Expedited Bill No. 15-04
Concerning: Property Tax – Credits
Revised: 5-24-05 Draft No. 2
Introduced: May 11, 2004
Enacted: May 26, 2005
Executive: June 7, 2005
Effective: July 1, ~~[[2004]]~~ 2005
Sunset Date: None
Ch. 5, Laws of Mont. Co. 2005

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

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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 [[or \$[60,000] 300,000, and then]] reduced by 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;

28 (D) 6.5% of the next \$~~[[9,000]]~~ 8,500;

29 ~~[[E) 8% of the next \$8,000;]]~~

30 ~~[[F) [5] 8% of the next \$5,000;]]~~ and

31 ~~[[G)]]~~ (E) [2.5] 8% of any combined gross income over

32 \$~~[[41,000]]~~ ~~[[49,000]]~~ 36,500.

33 * * *

34 **52-11B. Credit to offset certain income tax revenues.**

35 * * *

36 (c) The County Council must set the amount or rate of the credit under this

37 Section annually by resolution, adopted no later than the date the

38 Council sets the property tax rates. A public hearing must be held, with

39 at least 15 days' notice, before the Council adopts a resolution under

40 this Section. The amount or rate of the credit must, in the Council's

41 judgment, offset some or all of the income tax revenue resulting from a

42 County income tax rate higher than [50] 2.6%. The Council must set

43 the amount of the credit at zero for any tax year in which the rate of the

44 County income tax does not exceed [50] 2.6%.

45 * * *

46 **Sec. 2. Expedited Effective Date.**

47 The Council declares that this legislation is necessary for the immediate

48 protection of the public interest. This act takes effect on July 1, ~~[[2004]]~~ 2005, and

49 applies to any tax year that begins on or after that date.

50 *Approved:*

51 /s/

5/31/05

Thomas E. Perez, President, County Council

Date

52 *Approved:*

53	<i>/s/</i>	6/7/05
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	Douglas M. Duncan, County Executive	Date

54 *This is a correct copy of Council action.*

55	<i>/s/</i>	6/13/05
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	Linda M. Lauer, Clerk of the Council	Date