

Chapter 571

(Senate Bill 520)

AN ACT concerning

Homestead Property Tax Credit – Eligibility of Employees of the Federal Government Stationed Outside the State

FOR the purpose of providing that under certain circumstances a homeowner who is an employee of the federal government stationed outside the State may qualify for the homestead property tax credit if the homeowner is otherwise eligible for the credit but does not actually reside in a dwelling for the required time period; providing for the calculation of the homestead property tax credit ~~for a certain taxable year~~ under certain circumstances; providing for the application of this Act; and generally relating to the homestead property tax credit.

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 9–105(a)(1) through (3) and (b)
Annotated Code of Maryland
(2007 Replacement Volume and 2009 Supplement)

BY adding to
Article – Tax – Property
Section 9–105(c)(6)
Annotated Code of Maryland
(2007 Replacement Volume and 2009 Supplement)

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

Article – Tax – Property

9–105.

- (a) (1) In this section the following words have the meanings indicated.
- (2) (i) “Dwelling” means:
 - 1. a house that is:
 - A. used as the principal residence of the homeowner; and

B. actually occupied or expected to be actually occupied by the homeowner for more than 6 months of a 12-month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought; and

2. the lot or curtilage on which the house is erected.

(ii) “Dwelling” includes:

1. a condominium unit that is occupied by an individual who has a legal interest in the condominium;

2. an apartment in a cooperative apartment corporation that is occupied by an individual who has a legal interest in the apartment; and

3. a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.

(3) “Homeowner” means an individual who has a legal interest in a dwelling or who is an active member of an agricultural ownership entity that has a legal interest in a dwelling.

(b) If there is an increase in property assessment as calculated under this section, the State and the governing body of each county and of each municipal corporation shall grant a property tax credit under this section against the State, county, and municipal corporation property tax imposed on real property by the State, county, or municipal corporation.

(c) **(6) (I) THIS PARAGRAPH APPLIES IF:**

1. THE CREDIT UNDER THIS SECTION HAS BEEN DENIED FOR A DWELLING FOR ANY TAXABLE YEAR BECAUSE OF THE HOMEOWNER’S FAILURE TO OCCUPY THE DWELLING FOR THE REQUIRED TIME PERIOD; AND

2. THE HOMEOWNER’S FAILURE TO OCCUPY THE DWELLING FOR THE REQUIRED TIME PERIOD WAS THE RESULT OF THE HOMEOWNER’S BEING AN EMPLOYEE OF THE UNITED STATES GOVERNMENT ~~TEMPORARILY~~ STATIONED OUTSIDE THE STATE FOR A PERIOD NOT EXCEEDING 6 CONSECUTIVE YEARS.

(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, A HOMEOWNER OTHERWISE ELIGIBLE FOR A CREDIT UNDER THIS SECTION MAY QUALIFY FOR THE CREDIT FOR A DWELLING TO WHICH THIS PARAGRAPH

APPLIES FOR THE NEXT TAXABLE YEAR FOLLOWING THE HOMEOWNER'S RESUMPTION OF RESIDENCY IN THE DWELLING.

(iii) THE CREDIT ALLOWED UNDER THIS PARAGRAPH SHALL BE CALCULATED BASED ON THE PRIOR YEAR'S TAXABLE ASSESSMENT OF THE DWELLING DETERMINED AS IF THE CREDIT HAD NOT BEEN LOST FOR THE INTERVENING TAXABLE YEARS WHEN THE HOMEOWNER WAS AN EMPLOYEE OF THE UNITED STATES GOVERNMENT STATIONED OUTSIDE THE STATE.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, if a homeowner was denied the homestead property tax credit for a dwelling under § 9-105 of the Tax Property Article for any taxable year beginning before July 1, 2010, because of the homeowner's failure to occupy the dwelling in accordance with § 9-105 of the Tax Property Article and the homeowner's failure to occupy the dwelling was the result of the homeowner's being a federal government employee temporarily stationed outside the State, the homeowner may qualify for the homestead property tax credit for the next taxable year following the homeowner's resumption of residency. The homestead property tax credit for the taxable year beginning July 1, 2010, shall be calculated based on the prior year's taxable assessment of the property determined as if the homeowner had continuously qualified for the homestead property tax credit.~~

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2010, and shall be applicable to all taxable years beginning after June 30, 2010.

Approved by the Governor, May 20, 2010.