

Maryland State Department of Assessments & Taxation

2019 Homeowners' Property Tax Credit Application Form HTC – Filing Deadline September 1, 2019

Apply online <https://taxcredits.sdat.maryland.gov/>

Instruction Page 1 of 2

GENERAL INFORMATION ABOUT

TAX CREDITS

The State of Maryland provides a credit for the real property tax bill for homeowners of all ages who qualify on the basis of gross household income. For more information, please visit our website at <https://dat.maryland.gov/Pages/Tax-Credit-Programs.aspx>

Eligibility

A new application must be filed every year if applicant wishes to be considered for a tax credit. Actual taxes eligible for this credit do not include fixed metropolitan charges which may appear on the tax bill for such services as sewer, water or improvement repayments, and do not include taxes for excess land acreage, other buildings or portions of buildings used for business purposes. Property owners with large tracts of land will have the credit limited to the amount of taxes on land necessary for the residential dwelling and does not include excess acreage. The credit shall be limited to the portion of the dwelling that is used only for the applicant's residential purposes. An application may be subjected to an audit at any time and applicant may be requested to submit additional verification or other evidence of income in order to substantiate the application for the property tax credit.

Requirements

Applicant(s) must satisfy four (4) legal requirements before eligibility can be considered:

- 1. The dwelling for which the application is being made, must be the applicant's principal residence. Applicant resides or expects to reside for more than six (6) months of the tax year, including July 1, 2019, unless unable to do so for reasons of illness, need of special care or the property was recently purchased. An individual who permits, pursuant to a court order or separation agreement, a spouse, former spouse or children of that person's family, to reside in a dwelling in which the individual has a legal interest, has met the residency requirement. A homeowner may claim credit for only one principal residence.
2. Applicant must have legal interest in the property. Land installment sales, contract purchases, holders of a life estate and beneficiaries of certain trusts have sufficient legal interest.
3. Net worth, excluding the value of the property for which the credit application is being made and the cash value of IRAs or qualified retirement savings plans, must not exceed \$200,000, as of December 31, 2018.

- 4. Combined gross household income cannot exceed \$60,000.

If all four requirements are met, the amount of tax credit due, if any, will be calculated on the basis of the gross household income for calendar year 2018.

Limitations

The lesser of \$300,000 of the total assessed value minus any Homestead credit, shall be used for calculating taxes eligible for credit.

Important Filing Deadlines

The deadline for filing an application is September 1, 2019. However, if applicant submits a properly completed application before May 1, 2019, and that application is not subject to an audit by the Department, applicant will receive any credit due on the July 1, 2019 tax bill. A properly completed application means that all questions are answered, the form is signed, copies of the entire federal income tax return, schedules and forms, necessary Social Security form (SSA-1099), Railroad Retirement Verification or Rate letter are all included and applicant has provided responses to any subsequent inquiries made by the Department in a reasonable timeframe. If the application is filed after May 1, 2019, applicant should not expect to receive any tax credit on the July 1, 2019 tax bill and is advised to pay the tax bill to receive the discount for early payment.

How Tax Credits are Granted

By submitting this application, the applicant will receive one of the following:

- > Credit directly on the July property tax bill if the application is completed properly and is not subjected to audit and is received before May 1, 2019; or
> A refund if the bill has already been paid; or
> Written denial stating the reason for ineligibility.

City/County Supplemental Tax Credits

In addition to the State of Maryland's Homeowners' Tax Credit, supplemental tax credits are available to eligible homeowners in Anne Arundel Co., Baltimore City, Baltimore Co., Calvert Co., Caroline Co., Carroll Co., Charles Co., Frederick Co., Garrett Co., Harford Co., Howard Co., Kent Co., Montgomery Co., Washington Co., the City of Bowie, the City of College Park, the City of Frederick, the City of Gaithersburg, the City of Greenbelt, the City of Hyattsville and the City of Rockville. The supplemental tax credits are administered by the State of Maryland Homeowners' Tax Credit Program. To apply for the State tax credit and/or city/county supplemental tax credit, applicants are only required to submit this application form (Form HTC). Some applicants may be eligible for a

supplemental tax credit even though they may be ineligible for a State credit based on income.

Privacy and State Data System Security Notice

The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Failure to provide this information will result in a denial of your application. Some of the information requested would be considered a "Personal Record" as defined in State Government Article, § 10-624 consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, it is unlawful for any officer or employee of the state or any political subdivision to divulge any income particulars set forth in the application or any tax return filed except in accordance with judicial legislative order. However, this information is available to officers of the state, county or municipality in their official capacity and to taxing officials of any other state, or the federal government, as provided by statute.

If not filing online, mail the completed application and all required income documentation to:

Department of Assessments and Taxation
Homeowners' Tax Credit Program
P.O. Box 49005
Baltimore, MD 21297

INSTRUCTIONS FOR COMPLETING THE APPLICATION

Applicant Details

Field 1: Name - Enter the full legal name of applicant (last name, first name, middle initial). Applicant must own or have a legal interest in the property.

Field 2: Social Security Number - Enter applicant's nine (9) digit social security number.

Field 3: Date of Birth - Month, Day and Year the applicant was born.

Field 4: Mailing Address - Enter the address the applicant would like mail sent to if it differs from the property address. Applicant must attach an explanation on a separate sheet of paper.

Field 5: Current Marital Status - Check or mark which option best describes the applicant's current status: single; or provide the month and date for: married, separated, divorced (finalized) or widowed.

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Field 6: Enter the full legal name of Spouse and/or Residential Co-Owner (last name, first name, middle initial). If more space is needed, enter information on a separate sheet of paper and attach to this application.

Field 7: Social Security Number - Enter Spouse and/or Residential Co-Owner(s) nine (9) digit social security number.

Field 8: Date of Birth - Month, Day and Year the Spouse and/or Residential Co-Owner(s) was born.

Field 9: Property Address - Physical location of applicant's property for which the tax credit is being applied.

Field 10: City, Town or Post Office - State the name of the city or town where the property is located.

Field 11: County - Provide the two (2) letter abbreviation of the county where the property is located.

| County | Abbreviation |
|------------------|--------------|
| Allegany | AL |
| Anne Arundel | AA |
| Baltimore County | BL |
| Baltimore City | BC |
| Calvert | CV |
| Caroline | CL |
| Carroll | CR |
| Cecil | CC |
| Charles | CH |
| Dorchester | DR |
| Frederick | FR |
| Garrett | GR |
| Harford | HR |
| Howard | HW |
| Kent | KN |
| Montgomery | MG |
| Prince George's | PG |
| Queen Anne's | QA |
| St. Mary's | SM |
| Somerset | SS |
| Talbot | TB |
| Washington | WH |
| Wicomico | WC |
| Worcester | WR |

Field 12: Zip Code - List the postal code in which the applicant's property is located.

Field 13: If you will not be residing in the property for which you are applying for the tax credit on July 1, 2019 and for more than six (6) months thereafter, please explain your reason

on a separate sheet of paper and attach it to this form.

Field 14: If you own any other dwelling or other real estate in the State of Maryland or elsewhere, please list the real estate's address(es), date acquired, property account number and estimated value on a separate sheet of paper and attach it to this application.

Field 15: If you own or operate a business in the State of Maryland or elsewhere, list the name of business, type of business and principal office address on a separate sheet of paper and attach it to this application.

Field 16: If you did not file a return last year, proceed to Field 17. If you filed a Federal Income Tax Return for last year, or if married and filed separately, include a photocopy of the completed federal tax return(s), including all accompanying schedules and other forms, when submitting this application. If income was derived from a partnership or corporation, a copy of the partnership return (Form 1065, including Schedule K-1) and/or a copy of the corporate return (Form 1120 or 1120S, including Schedule K-1) must also be included.

Property Information

Field 17: Property Account Number - Every county uses the property account number to identify the property. Baltimore City uses the Ward, Section, Block and Lot Number to identify properties in the City. This information can be obtained from the applicant's property tax bill, assessment notice, or by clicking the below link:
<http://sdat.dat.maryland.gov/RealProperty/Pages/default.aspx>

Field 18: This residence is a(n) - Check or mark which residential building structure best describes applicant's home/primary residence. If none listed apply, please mark 'Other' and write in structure.

Field 19: Property Use - Mark whether the property use is residential only or residential and a portion being used for business, farming or rental use. If any business, farming or rental use, please provide the approximate percentage of use.

Field 20: Total number of apartments on the property, including vacant apartments - State the total number of apartments on the

applicant's property. This number should include vacant apartments/rental units.

Field 21: Amount of rent received from tenants: Gross: \$ _____ Net: \$ _____
- If any portion of the applicant's property is rented, state the total gross rent received and the net gross rent received the previous year.

Household Members

Field 22: If there are household members over eighteen (18) years of age who are not a spouse or co-owner and who cannot be claimed as applicant's dependent for IRS purposes, complete Field 23a-23d. If there are none, move to Field 24.

Fields 23a. – 23d.: Applicant must provide the name(s) (last, first and middle initial) and date(s) of birth (month, day and year) of all persons living at the property who are over eighteen (18) years of age and not claimed as a dependent for IRS purposes, and are not co-owner(s) of the property. The applicant must also provide the household member's gross income from last year or how much they paid for room and board and/or household expenses. These fees must be "reasonable". If there are additional members, attach a sheet of paper with questions 23a. – 23d. completed.

Wages & Income

Field 24: Wages & Income - All resident co-owners, including the applicant and applicant's spouse, must report their gross income. Income from all sources must be reported, including taxable and non-taxable income. Income for this application is not limited to the definition of gross income for federal or state income tax filing purposes. Social security benefits, worker's compensation, deferred compensation, etc., must be reported. The full amount of an inheritance is income. All gifts in excess of \$300 and expenses paid on applicant's behalf by others must be reported as income. Losses from business, rental or other endeavors may not be used to reduce the amount of gross income reported. Any household occupant not being claimed as a dependent and who is not paying reasonable fixed charges, such as room and board, must report their total gross income(s) from the previous year.

Applicant must attach and submit a copy of all requested documents.

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APPLICANT DETAILS

| | | | |
|--|-------------------------------|---|--------------|
| 1. Name: Last, First, Middle Initial | 2. Social Security Number | 3. Date of Birth | |
| 4. Mailing Address (If different from Property Address and provide an explanation on a separate sheet of paper and attach it to this application.) | | 5. Current Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed If Married, Separated, Divorced, or Widowed, please include Month and Year: _____ (MM/YYYY) | |
| 6. Name of Spouse or Residential Co-Owner: Last, First, Middle Initial | 7. Social Security Number | 8. Date of Birth | |
| 9. Property Address (House Number, Street Name or Rural Route – No P.O. Box) | 10. City, Town or Post Office | 11. County | 12. Zip Code |
| Check or mark each of the following statements that pertain to you: | | | |
| 13. <input type="checkbox"/> I WILL reside in the property on which I am applying for the tax credit on July 1, 2019 and for more than 6 months thereafter. | | | |
| 14. <input type="checkbox"/> I DO NOT own any other dwelling or other real estate in the State of Maryland or elsewhere. | | | |
| 15. <input type="checkbox"/> I DO NOT own or operate a business in the State of Maryland or elsewhere. | | | |
| 16. <input type="checkbox"/> I DID file a Federal Income Tax Return last year and will include a copy with this application. If I am married and filed separately, I will include a copy of my spouse's returns with this application. See Field 16 for additional Special Instructions. | | | |
| Please review the Special Instructions on how to proceed for each unmarked statement on Instruction Page 2 of 2. | | | |

PROPERTY INFORMATION

| | | |
|---|--|--|
| 17. Property Account Number (On your Tax Bill or Assessment Notice) _____ | 18. This residence is a(n): <input type="checkbox"/> Single Family Home <input type="checkbox"/> Land Installment Contracts <input type="checkbox"/> Multi-Family Home <input type="checkbox"/> Retirement Community/ <input type="checkbox"/> Mobile Home Continuing Care <input type="checkbox"/> Cooperative <input type="checkbox"/> Other _____ | 19. Property use: <input type="checkbox"/> Residential Only Residential and <input type="checkbox"/> Business _____% <input type="checkbox"/> Farming _____% <input type="checkbox"/> Rental _____% |
| * Baltimore City Residents state the Ward, Section, Block and Lot Number. | | |
| 20. Total number of apartments on the property, including vacant apartments: _____ | 21. Amount of annual rent received from tenants in previous year: Gross: \$ _____ Net: \$ _____ | |

HOUSEHOLD MEMBERS

| | |
|---|--|
| 22. Are there any household members over eighteen (18) years of age who are not a spouse or co-owner and who cannot be claimed as applicant's dependent for IRS purposes? If more than one Household Member, attach a sheet of paper with Fields 23a-23d answered for each member. <input type="checkbox"/> Yes Complete Fields 23a. – 23d. <input type="checkbox"/> No Move to Field 24. | |
| 23a. Household Member Name: Last, First, Middle Initial | 23b. Date of Birth |
| 23c. Household Member Gross Income Last Year: \$ _____ | 23d. Total Contribution to Room and Board or Household Expenses last year: \$ _____ |

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2018 WAGES & INCOME

| 24. All accompanying schedules and documents MUST be submitted with this application. Do NOT send originals. | Applicant | Spouse/Resident Co-Owner | Household Member(s) | Office Use Only |
|--|-----------|--------------------------|---------------------|-----------------|
| Wages, Salary, Tips, Bonuses, Commissions, Fees | \$ | \$ | \$ | \$ |
| Interest (Includes both taxable and non-taxable) | \$ | \$ | \$ | \$ |
| Dividends (Includes both taxable and non-taxable) | \$ | \$ | \$ | \$ |
| Capital Gains (Includes non-taxed gains) | \$ | \$ | \$ | \$ |
| Rental Income (Net) | \$ | \$ | \$ | \$ |
| Business Income (Net) | \$ | \$ | \$ | \$ |
| Room & Board paid to you by a nondependent resident, see instructions for Item 23a-23d | \$ | \$ | \$ | \$ |
| Unemployment Insurance | \$ | \$ | \$ | \$ |
| Workers' Compensation | \$ | \$ | \$ | \$ |
| Alimony and/or Spousal Support | \$ | \$ | \$ | \$ |
| Public Assistance Grants (Attach copy of AIMS) | \$ | \$ | \$ | \$ |
| Social Security (Attach copy of 2018 Form SSA-1099) | \$ | \$ | \$ | \$ |
| S.S.I Benefits for 2018 (Attach Proof) | \$ | \$ | \$ | \$ |
| Railroad Retirement (Attach copy of 2018 Verification or Rate letter) | \$ | \$ | \$ | \$ |
| Other Federal Pensions (Not including VA Benefits) per year | \$ | \$ | \$ | \$ |
| Veterans Benefits per year | \$ | \$ | \$ | \$ |
| Pensions (If a rollover, attach proof) | \$ | \$ | \$ | \$ |
| Annuities (If a rollover, attach proof) | \$ | \$ | \$ | \$ |
| IRAs (If a rollover, attach proof) | \$ | \$ | \$ | \$ |
| Deferred Compensation (Attach W-2 Statement) | \$ | \$ | \$ | \$ |
| Gifts over \$300.00 | \$ | \$ | \$ | \$ |
| Expenses Paid by Others | \$ | \$ | \$ | \$ |
| Inheritances | \$ | \$ | \$ | \$ |
| All other monies received last year not reported above | \$ | \$ | \$ | \$ |
| TOTAL HOUSEHOLD INCOME FOR LAST YEAR | \$ | \$ | \$ | \$ |

CERTIFICATION

I declare under the penalties of perjury, pursuant to Sec. 1-201 of the Maryland Tax-Property Code Ann., that this application (including any accompanying forms and statements) has been examined by me and the information contained herein, to the best of my knowledge and belief, is true, correct and complete, that I have reported all monies received, that I have a legal interest in this property, that this dwelling will be my principal residence for the prescribed period, and that my net worth is less than \$200,000 excluding the value of the subject dwelling and homesite, IRAs and qualified retirement savings plans. I understand that the Department may request at a later date additional information to verify the statements reported on this form, and that independent verifications of the information reported may be made. Further, I hereby authorize the Social Security Administration, Comptroller of the Treasury, Internal Revenue Service, the Income Maintenance Administration, Unemployment Insurance, the State Department of Human Resources, and Credit Bureaus to release to the Department of Assessments and Taxation any and all information concerning the income or benefits received.

| | | |
|---|------|--|
| Applicant's Signature | | Date |
| Applicant's Email Address | | Applicant's Daytime Telephone Number () |
| Spouse's or Resident Co-Owner's Signature | | Date |
| Name of Preparer | Date | Preparer's Daytime Telephone Number () |
| Signature of Preparer | | <input type="checkbox"/> Preparer's Disclosure: Under penalties of perjury, I declare that I have examined this application and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. |
| RETURN TO: Department of Assessments and Taxation Homeowners' Tax Credit Program P.O. Box 49005 Baltimore, Maryland 21297 | | FOR IMMEDIATE INFORMATION: Email: sdat.taxcreditapp@Maryland.gov Telephone: Baltimore Area 410.767.4433 Toll Free 1.800.944.7403 |

What is the Homeowners' Property Tax Credit Program?

The State of Maryland has developed a program which allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In other words, it sets a limit on the amount of property taxes any homeowner must pay based upon his or her income.

How Is "Income" Defined?

For purposes of the tax credit program, it is emphasized that applicants must report total income, which means the combined gross income before any deductions are taken. Income information must be reported for the homeowner and spouse and all other occupants of the household unless they are dependents or they are paying rent or room and board. Income from all sources must be reported whether or not the monies received are included as income for Federal and State income tax purposes. Nontaxable retirement benefits such as Social Security and Railroad Retirement must be reported as income for the tax credit program. Generally, eligibility for the tax credit will be based upon all monies received in the applicant's household in a given year.

What Are The Other Requirements?

Before your eligibility according to income can be considered, you must meet four basic requirements

- You must own or have a legal interest in the property.
- The dwelling on which you are seeking the tax credit must be your principal residence where you live at least six months of the year, including July 1, unless you are a recent home purchaser or unless you are unable to do so because of your health or need of special care.
- Your net worth, not including the value of the property on which you are seeking the credit or any qualified retirement savings or Individual Retirement Accounts, must be less than \$200,000.
- Your combined gross household income cannot exceed \$60,000.

How Is The Credit Figured?

The tax credit is based upon the amount by which the property taxes exceed a percentage of your income according to the following formula: 0% of the first \$8,000 of the combined household income; 4% of the next \$4,000 of income; 6.5% of the next \$4,000 of income; and 9% of all income above \$16,000.

The chart below is printed in \$1,000 increments to show you the specific tax limit for each income level.

| 2018 Household Income | Tax Limit |
|------------------------------------|-----------|
| \$1 - 8,000 | \$0 |
| 9,000 | 40 |
| 10,000 | 80 |
| 11,000 | 120 |
| 12,000 | 160 |
| 13,000 | 225 |
| 14,000 | 290 |
| 15,000 | 355 |
| 16,000 | 420 |
| 17,000 | 510 |
| 18,000 | 600 |
| 19,000 | 690 |
| 20,000 | 780 |
| 21,000 | 870 |
| 22,000 | 960 |
| 23,000 | 1050 |
| 24,000 | 1140 |
| 25,000 | 1230 |
| 26,000 | 1320 |
| 27,000 | 1410 |
| 28,000 | 1500 |
| 29,000 | 1590 |
| 30,000 | 1,680 |
| and up to a maximum of \$60,000 | * |

* For each additional \$1,000 of income above \$30,000, you add \$90 to \$1,680 to find the tax limit. Your combined gross household income cannot exceed \$60,000.

Example: If your combined household income is \$16,000, you see from the chart that your tax limit is \$420. You would be entitled to receive a credit for any taxes above the \$420. If your actual property tax bill was \$990, you would receive a tax credit in the amount of \$570 --- this being the difference between the actual tax bill and the tax limit.

What Other Limitations?

- Only the taxes resulting from the first \$300,000 of assessed valuation.
- It does not cover any metropolitan or fixed charges for water and sewer services that may appear on the tax bill.
- If an applicant owns a large tract of land, the credit will be limited to the lot or curtilage on which the dwelling stands and will not include the excess acreage.
- If a portion of your dwelling is used for commercial or business purposes, the credit will be based only upon the taxes for that portion of the dwelling occupied by your own household.

How Does One Receive The Credit?

Homeowners who file and qualify by May 1 will receive the credit directly on their tax bill. Persons who file later up until the September 1 deadline will receive any credit due in the form of a revised tax bill. Applicants filing after May 1 are advised not to delay payment of the property tax bill until receipt of the credit if they wish to receive the discount for early payment offered in some subdivisions. A refund check will be issued by the local government if the tax bill was paid before the tax credit was granted.

What Happens If One Is Not Eligible?

Whenever homeowners are found not qualified to receive a tax credit, they are informed in writing. The letter gives the reason for denial and what steps to take if further questions remain. The letter also explains how homeowners can appeal the determination of ineligibility to the local Property Tax Assessments Appeals Board.