



State of Maryland
Department of Assessments and Taxation
www.dat.maryland.gov

2016 HOMEOWNERS' PROPERTY TAX CREDIT

Instructions and Application Form HTC-60

Filing Deadline - September 1, 2016

GENERAL INSTRUCTIONS

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. Since eligibility for the program is based upon income, it may be convenient for you to complete this form at the same time you are preparing your federal and Maryland income tax returns. Applications are processed by the Tax Credit Section of the Maryland Department of Assessments and Taxation.

COUNTY SUPPLEMENTAL TAX CREDITS

In addition to the State of Maryland's Homeowners' Tax Credit, county supplemental tax credits are available to eligible homeowners in **Anne Arundel Co., 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 Gaithersburg, the City of Rockville, the City of Bowie, the City of College Park, the City of Greenbelt, the City of Hyattsville, and the City of Mount Rainier.** The county supplemental tax credits are administered by the State of Maryland Homeowners' Tax Credit Program. To apply for the State tax credit and/or county supplemental tax credit, applicants are only required to file this application form (Form HTC-60).

Please note that the chart on this page is used only to determine eligibility for the State tax credit. Some applicants may be eligible for a county credit even though they may be ineligible for a State credit based on income. To determine eligibility for county supplemental tax credits please call 410-767-4433 (Baltimore Metro Area) or 1-800-944-7403 (toll free).

HOW CREDITS ARE GRANTED

Any person submitting this property tax credit application will receive one of the following:

- * a credit directly on your July property tax bill if the application, which is properly completed and which is not subjected to audit, is received before May 1, 2016 **or**
- * refund if the bill has already been paid; **or**
- * a written letter of denial stating the reason for ineligibility

IMPORTANT INFORMATION

Please note that if your application is filed after **May 1, 2016** you should not expect to receive any tax credit directly on the July 1, 2016 tax bill. You are advised to pay the tax bill as shown if you wish to receive the discount for early payment offered by Baltimore City and some counties.

ELIGIBILITY

A new application must be filed every year if you wish to be considered for a tax credit. The following table will help you determine if it is worthwhile to apply. If the actual property taxes on your home (based on no more than \$300,000 of assessment) exceed the "Tax Limit" amount shown on the table for your 2015 gross household income, you may be eligible for a credit and are urged to file this application.

Actual taxes eligible for this credit do not include fixed metropolitan charges which may appear on your tax bill for such services as sewer, water, and improvement repayments, and do not include taxes for excess land acreage or other buildings, or portions of buildings used for business purposes. The chart is a guide only, and the exact amount of your income and property tax will be used to determine your eligibility. If you submit an application, the State will determine your eligibility.

| 2015 Combined Gross Household Income Before Deductions | 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 | 1,050 |
| 24,000 | 1,140 |
| 25,000 | 1,230 |
| 26,000 | 1,320 |
| 27,000 | 1,410 |
| 28,000 | 1,500 |
| 29,000 | 1,590 |
| 30,000 | 1,680 |
| and up to a maximum of \$60,000 | * |

*For each additional \$1,000 of income add \$90 to \$1,680 to find the amount that your tax must exceed. The gross household income cannot exceed \$60,000 in order to be eligible for a tax credit.

If you do not understand the table, or if you have any further questions about whether the tax limit for your specific income level will qualify you for a property tax credit, then call the Homeowners' Tax Credit Program at the telephone number shown on the next page under section "Information and Assistance."

OTHER REQUIREMENTS BEFORE FILING

You must satisfy four basic legal requirements before your eligibility according to income can be considered:

1. The dwelling for which application is being made must be your principal residence, where you reside or expect to reside for more than 6 months of the tax year, including July 1, 2016 unless you are unable to do so for reasons of illness or your need of special care or unless you just recently purchased your home. 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. You must have legal interest in the property. Land installment sales contract purchasers, holders of a life estate, and beneficiaries of certain trusts have sufficient legal interest.
3. Your net worth, excluding the value of the property for which 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, 2015.
4. Your combined gross household income cannot exceed \$60,000.

If the four requirements above are met, the amount of tax credit due, if any, will be calculated on the basis of the gross household income for calendar year 2015.

LIMITATIONS

The lesser of \$300,000 of assessed value or the total assessed value **minus any Homestead Credit**, shall be used for calculating those taxes eligible for credit. Property owners with large tracts of land will have the credit limited to curtilage, which is that amount of taxes on the land necessary for the dwelling and does not include excess acreage. The credit shall be limited to that portion of the dwelling used only for the applicant's residential purposes. Any metropolitan or fixed charges which may appear on the bill are not taxes eligible for credit.

INCOME DEFINED

For purposes of the property tax credit program, it is emphasized that the applicant must report total income, which means the combined gross household income before any deductions are taken. Income information must be reported for the resident homeowner(s), spouse or co-owner and all other occupants of the dwelling unless such other occupants can be claimed as dependents on the applicant's 2015 federal income tax return or unless they are paying reasonable fixed charges such as rent or room and board. Payments toward household expenses by other occupants should be reported as room and board. If the other occupants of the home who are not dependents for Internal Revenue Service purposes are not charged room and board or rent by you, you must include their total gross incomes. Your spouse and all owners on the deed who reside in the dwelling must report their gross income and not room and board.

Income from all sources must be reported whether or not included in the definitions of gross income for federal or State tax purposes. Nontaxable retirement benefits, such as Social Security, must be reported as income for the tax credit program. An applicant must report all monies he or she receives each year. Deductions for IRAs, Keoghs, or Deferred Compensation may not be used to reduce the amount of gross income reported. Losses from business, rental or other endeavors may not be used to reduce the amount of gross income reported. The full amount of an inheritance is income. All gifts in excess of \$300 and expenses paid on your behalf by others must be reported as income.

COPY OF COMPLETE FEDERAL RETURN

If you file a federal income tax return for 2015, you must furnish a photocopy of your complete federal return, 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. If separate returns were filed by spouses, then a copy of each must be included. A copy of the federal and not the Maryland return is required because necessary income information for the tax credit calculation is only available from the federal return and schedules. Failure to forward a complete and exact copy of the federal income tax return (if you are required to file) will delay the processing of your application.

TIME AND PLACE FOR FILING

The deadline for filing an application is September 1, 2016. However, if you submit a properly completed tax credit application before May 1, 2016, and that application is not subjected to an audit by the Department, then you will receive any credit due you as a credit appearing directly on your tax bill. A properly completed application means that the applicant answered all questions; signed the form; furnished copies of the entire federal income tax return, schedules and forms, and copies of the necessary Social Security form (SSA-1099) and Railroad Retirement Verification or Rate letter; and responded within a reasonable time period to any subsequent inquiries made by the Department.

Mail your completed application and a copy of your federal income tax return and schedules to the address shown in the "Return To" box on the application. Applicants who cannot provide a copy of their Federal Tax Return with their application before the deadline are advised to file a tax credit application without the copy of the Federal return. Applicants who file just before the deadline should consider sending the application by certified mail to have proof of a timely filing.

INCOME VERIFICATION

In individual cases, an applicant may later be requested to submit additional verification or other evidence of income in order to substantiate the application for the property tax credit. An application may be subjected to audit at a later date. If an applicant reports insufficient monies to meet basic living expenses, then additional information will be requested.

INFORMATION AND ASSISTANCE



Baltimore Metropolitan Area
410-767-4433
All Other Areas
1-800-944-7403

SPECIFIC INSTRUCTIONS

FOR CERTAIN LINE ITEMS ON FORM HTC-60

LINE 11 - PROPERTY ACCOUNT NO.:

With the exception of Baltimore City, every County uses the property account number to identify the property. In Baltimore City, the Ward/Section/Block and Lot number is used instead to identify the property. In either case, you can obtain the appropriate identification number from your property tax bill or assessment notice.

LINE 13 - PRINCIPAL PLACE OF RESIDENCE:

You may apply for a tax credit for only the one dwelling which is your principal and actual residence for more than 6 months of the tax year, including July 1, 2016. One exception is for persons who purchased their home after July 1, 2016.

LINE 14 - NONDEPENDENT RESIDENTS

Every applicant must answer this question and list the name(s) of any non-dependent resident(s) in the home. If none, write NONE and not N/A.

LINE 15 - REASONABLE FIXED CHARGES FOR ROOM AND BOARD

If you report receiving room and board from nondependent occupants of your household, the amount must be "reasonable." If you receive no monies from these occupants, you must write the word NONE and report their gross income in item 18, Column 3 (All Others). Room and board, rent, or household expenses paid can be reported for nondependent occupants but not for spouses and resident co-owners who must report their gross income along with that of the applicant.

LINE 18 - SOURCES OF INCOME

You will note that any IRA income must be reported on a separate line from other pensions and annuities.

If you have a pension or IRA "rollover" attach a copy of the Form 1099-R and proof of the deposit into another tax deferred account.

LINE 20- PERJURY OATH/SOCIAL SECURITY RELEASE:

By signing the form, the applicant is attesting under the penalties of perjury as to the accuracy of the information reported and that the four basic legal requirements for filing have been met. In addition, the signature also authorizes the Social Security Administration, 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 by the applicant.

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.