HOWARD COUNTY DEPARTMENT OF FINANCE
P.O. Box 3370 ■ Ellicott City, Maryland 21041 ■ 410-313-4076

Division of Property Tax Accounting FAX 410-313-4099
TDD 410-313-2323

TAX DEFERRAL
INFORMATION AND INSTRUCTION SHEET

The Annotated Code of Maryland, Tax-Property Article Section 10-204 provides for a deferral of County Property Tax to be granted, upon application, for residential real property occupied as the principal residence of the owner.

INFORMATION
This application is filed in accordance with Section 20-125 of the Howard County Code. This section provides for a deferral of County residential real property tax. Application must be made by September 1 of the current taxable year.

Eligible Property Owners
The combined gross income of all individuals who actually reside in the dwelling, except for a dependent of the homeowner or an individual who pays a reasonable amount for rent or room and board, must not exceed $75,000. Gross income for this purpose is defined in 9-104 of the Property Tax Article of the Annotated Code of Maryland (see Income Defined Section)

In addition, one or more of the homeowners of the residential property must have:

1. Resided in the dwelling for a period of at least five years AND
2. Qualified under one of the following criteria:
   a. Is at least 65 years of age **(please provide a copy of your birth certificate, drivers license or other proof of age)**
   b. Is permanently disabled and qualifies for benefits under: (enclose letter from agency)
      i. Social Security Act
      ii. Railroad Retirement Act
      iii. Any federal act for members of the United State Armed Forces, or
      iv. Any federal retirement system
   c. Is certified to be permanently and totally disabled by a County Health Officer (enclose letter from Health Officer attesting to the disability)

Eligible Property
The amount of property eligible for a payment deferral is the dwelling and acreage assigned to the home as determined by the Supervisor of Assessments for Howard County.

Amount of Payment Deferral
The amount deferred is the amount that the County property tax due exceeds the amount of County Property Tax paid by the homeowner in the preceding year.

Interest on Deferred Amount
There is no interest charged on the deferred amount.

Notice of Lien
A lien shall attach to the property in the amount of deferred tax and interest (if any) and shall remain until deferred tax is paid. The agreement shall be recorded in the land records of Howard County. All costs of recording the document shall be born by the applicant. Any mortgagee or beneficiary under a deed of trust will be notified of the deferral and the amount of tax being deferred.

Real Property Tax Bills
All County Real Property Tax not deferred is due and payable, subject to the same interest rate as all other County Property Tax. The annual tax bill shall show the cumulative amount of the deferral and accrued interest as of the date of the billing.

Termination of the Payment Deferral
The total amount of County Property Tax deferred is due and payable when any one of the following occurs:

1. The eligible homeowner ceases to own the property. This could occur when a property is sold, but could also occur when the eligible homeowner dies and the surviving joint owner is not eligible, i.e. 65 or disabled.

2. The eligible homeowner ceases to occupy the property as the principal place of residence.

3. The property becomes subject to Tax Sale.

4. The eligible homeowner fails to submit a timely application for deferral. For example, if an inheritance or other windfall occurs that increases income for one year only, all previously deferred tax would be due and payable. The homeowner could apply for the deferral again in the following year assuming that their income was once again below the limit.

A homeowner may end a deferral at any time by giving written notice to the Director of Finance and paying the deferred tax and accrued interest (if any).

INSTRUCTIONS

Income Defined
For purposes of the tax deferral 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 applicant, spouse or co-owner and all other occupants of the dwelling unless such other occupants were claimed as dependents on the applicant's federal income tax return or unless they are paying reasonable fixed charges, such as rent or room and board. Payment of household expenses by other occupants should be reported as room and board. If other occupants are not dependents and are not being charged rent or room and board, you must include their total gross income. Your spouse and all owners on the deed who reside in the dwelling must report their gross income.

"Gross Income" means the total income from all sources for the calendar year that immediately precedes the taxable year, whether or not the income is included in the definition of gross income for federal and state tax purposes.

"Gross income" includes:
1. any benefit under the Social Security Act or the Railroad Retirement Act;
2. the aggregate of gifts over $300;
3. alimony;
4. support money;
5. any nontaxable strike benefit;
6. public assistance received in a cash grant;
7. a pension;
8. an annuity;
9. any unemployment insurance benefit;
10. any workers' compensation benefit;
11. the net income received from a business, rental, or other endeavor; and
12. any rent on the dwelling, including rent from a room or apartment.

"Gross Income" does not include:
1. any income tax refund received from the state or federal government.
2. any loss from business, rental or other endeavor.

Copy of Federal Tax Return

If you file a federal income tax return, you must furnish a photocopy of your completed federal return, including all accompanying schedules and other forms with 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 married spouses, then a copy of each must be included.

Time and Place for Filing

The deadline for filing this application is September 1, 2009. For property tax year beginning July 1, 2009, please pay your full 1st installment in a timely manner to avoid interest charges. Your deferral will be applied toward your 2nd installment or refunded if your bill is paid in full. However, in future years if you submit a properly completed tax deferral application before May 1 and your signed Deferral Agreement returned to Howard County by June 1, the tax deferral will be deducted on your July 1 bill.

Mail your completed application along with proof of age and a copy of your federal return and schedules to:

HOWARD COUNTY MARYLAND
DEPARTMENT OF FINANCE
DIVISION OF TAXPAYER SERVICE
ATTN: TAX DEFERRAL
P.O. BOX 3370
ELLICOTT CITY, MD 21041-3370

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. An application may be subjected to an audit at a later date.

INFORMATION AND ASSISTANCE

For information and assistance, call 410-313-4076 between 8am and 5pm Monday – Friday. If you reach Voice Mail and are requesting that an application be mailed, please leave your name and address or name and parcel number. All other inquiry calls will be returned within 2 business days.

PRIVACY NOTICE

The principal purpose for which this information is sought is to determine your eligibility for a tax deferral. Pursuant to state law, information about your finances, including your assets, income, liabilities, or net worth, cannot be disclosed by county officials, unless required by court order. In addition, tax information required in a federal return that is included in a state return may not be disclosed by any county employee unless that employee by reason of office has a right to tax information or unless required by court or legislative order.

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APPLICATION FOR TAX DEFERRAL
TAX YEAR BEGINNING JULY 1, 2009

1. Last Name First Name and Middle Initial	4. Full Name Spouse and/or Co-Owner living in the property	
2. Your Social Security Number	5. His/Her Social Security Number	
3. Your Birth Date and/or Disability	6. His/Her Birth Date and/or Disability	
7. Property Address (Number and Street)	8. City, Town or Post Office	9. Zip Code
10. Mailing Address if different from above (Attach explanation)	11. City, Town or Post Office	12. Zip Code

13. Marital Status: ☐ Single ☐ Married ☐ Separated ☐ Divorced ☐ Widowed if so, date_________________)

14. Parcel Number (located on tax bill underneath HC logo at top)	15. Date you began residing on this property	16. Daytime Telephone No. ( )

17. You MUST list the name of every resident over 18 years of age in your household who is not a co-owner and who cannot be claimed as a dependent for IRS purposes. (If more space is needed, attach a separate list) If none, write NONE.

Name ______________________________________ Relationship _____________________________________

Name ______________________________________ Relationship _____________________________________

18. Report here the amount of reasonable fixed charges for room, board, rent or expenses paid by the persons listed in item 17. If none is paid, write NONE and then list the total gross income of such residents in Item 21, Column 3 (All Others)

$_____________________ per Week Month (circle one) $_____________________ per Week Month (circle one)

19. Is any portion of the property for which this application is being made used for: a) farming b) business c) a rental purpose? ☐ Yes ☐ No

If yes, then circle which use (a,b,c) and indicate what percentage of the dwelling is used for residential purposes:

_________________________%

20. a.) Total number of apartments in the property, including vacant apartments. ______________________________

b.) Amount of rent received during previous year from tenants: Gross______________ Net _______________

21. SOURCES OF INCOME CALENDER YEAR ENDING DECEMBER 31, 2008 When a document is requested, please DO NOT send the original, send a copy. If no Social Security, Railroad Retirement or other pension benefits were received, then you must enter zero (0) in the appropriate space.	(1) APPLICANT	(2) SPOUSE OR RESIDENT CO-OWNER	(3) ALL OTHERS	OFFICE USE ONLY
Wages, Salary, Tips, Commissions, Fees				
Interest (taxable and non-taxable) Dividends				
Capital Gains (Includes non-taxable gains)				
Rental Income (Net)				
Business Income (Net)				
Room & Board				
Unemployment Insurance; Worker' Compensation (Circle which)				
Alimony Support Money; Public Assistance Grant (Circle which)				
Social Security **(Attach copy of form SSA-1099)**; SSI Benefits (Circle which)				
Railroad Retirement **(Attach copy of form RRB-1099 and RRB 1099-R)**				
Other Federal Pensions per year (Not including VA Benefits)				
Veteran's Benefits per year				
Pensions (If a rollover attach copy of 1099-R and proof of deposit)				
Annuities (If a rollover attach copy of 1099-R and proof of deposit)				
IRAs (If a rollover attach copy of 1099-R and proof of deposit)				
Deferred Compensation **(Attach a W-2 Statement)**				
Inheritances; Gifts over $300; Expenses Paid by Others (Circle which)				
All other income (indicate source)				
TOTAL INCOME FOR YEAR 2008				

22. Did you or will you, and/or your spouse, file a Federal Income Tax Return for 2008? ☐ Yes ☐ No

If yes, a copy of your return (and if married filing separately, a copy of your spouse's return) with all accompanying schedules must be submitted with this application.

23. Notice of Lien to be sent to the following mortgagee or beneficiary:

(If more space is needed attach a separate list)

Mortgagee/Beneficiary ____

Loan Number______________________________

Address ____

____

Mortgagee/Beneficiary ____

Loan Number______________________________

Address ____

____

24. 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, and that this dwelling has been my principal residence for more than five years. I understand that the Howard County Department of Finance 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. I also understand that intentionally providing false information on this application may subject me to criminal penalties and fines.

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 Howard County Department of Finance any and all information concerning income or benefits received.

___________________________________ ____________ ____

Applicant's Signature Date Spouse or Resident Co-owner's Signature