



HOWARD COUNTY DEPARTMENT OF FINANCE

3430 Court House Drive ■ Ellicott City, Maryland 21043 ■ 410-313-4076 ■ TDD 410-313-2323

Division of Property Tax Accounting

Email: taxcredit@howardcountymd.gov

2021 Senior Tax Credit Application – Deadline: October 1, 2021

Guide to the Application Process

Howard County provides a credit for the real property tax bill for homeowners 65 or older who qualify based on 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 prepare your federal income tax returns. Applications are processed by the Howard County Department of Finance Tax Credit Section.

The amount of credit equals 25% of the County property tax due in the current year after applying the Homestead Credit. The amount credit is calculated after all other allowable credits granted for the property are applied. You **MAY NOT** receive an Aging in Place Tax Credit and a Senior Tax Credit in the same tax year.

Qualified applicants automatically receive trash, bay, and watershed credit.

Eligibility Requirements

- You **MUST** be at least 65 years of age as of June 30, 2021.
- The property for which the credit is sought must be your principal residence (determined by the MD Department of Assessments and Taxation) and where you expect to reside for more than 6 months of the tax year, including July 1, 2021. An individual unable to reside in their principal residence for reasons of illness, special care needs, or due to a recent home purchase meet the residency requirement. 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 also meets the residency requirement.
- Your combined gross household income does not exceed **\$87,100** for the 2020 calendar year.
- Your combined household net worth does not exceed **\$500,000** as of December 31, 2020. This does not include your principal residence

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. A homeowner may claim credit for only one principal residence.

We encourage you to apply by May 1, 2021. However, you should not expect to receive the Senior Tax credit on the July 1, 2021 bill. You are advised to pay the tax bill as shown if you wish to receive the discount for early payment offered by Howard County.



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****IMPORTANT****

If your combined gross household income does not exceed **\$45,000** and your Net Worth does not exceed **\$200,000** (excluding the value of your home, and excluding the value of qualified retirement plans, and individual retirement accounts), you **MUST** also submit a completed Homeowner Credit application to the Maryland State Department of Assessments and Taxation no later than October 1, 2021. More information on the Homeowners' Property Tax Credit Program can be found on the department's website at www.dat.maryland.gov or by contacting the program at 410-767-4433 or 1-800-944-7403.

Definitions

COMBINED GROSS INCOME (ITEM # 18)

For the Senior Tax Credit program, the applicant must report **total income**, which means the combined **gross** household income, for the 2020 calendar year, before any tax exemptions or deductions are taken. Gross income includes non-taxable income. 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. All gifts over \$300 and expenses paid on your behalf by others must be reported as income. Deductions for IRAs, Keoghs, or Deferred Compensation may not be used to reduce the amount of gross income reported.

Gross Income **does not** include:

1. Income tax refunds received from the state or federal government.
2. Any loss from business, rental, capital gain, or other endeavor.

COPY OF COMPLETE FEDERAL RETURN

If you file a federal income tax return for 2020, you must submit a photocopy of your complete federal return, including all accompanying schedules and forms, with the application. If your tax return is not prepared by an accredited tax preparer, please submit an official IRS Wage and Income Transcript, which can be obtained by contacting the IRS at 1-800-908-9946 or by visiting the IRS website at www.irs.gov. If income was derived from a partnership or corporation, a copy of the partnership return (Form 1065 AND Schedule K-1) and/or a copy of the corporate return (Form 1120/1120S AND Schedule K-1) must also be included. If separate returns were filed by spouses, a copy from each spouse must be included. Do not include a copy of the Maryland state tax return in your application. **Failure to submit a complete and exact copy of the federal income tax return (if required to file) will delay the processing of your application.**

Additional information may be requested to verify income.



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NET WORTH

For the Senior Tax Credit, net worth means, after deducting outstanding liabilities, the sum of the current market value of all assets including real property, cash, savings accounts, and other investments, but not including:

- The dwelling for which the property tax credit is sought,
- The cash value of any life insurance policies on the life of the homeowner, and
- Tangible personal property.

Please note that the definition of net worth under the State Homeowners' Tax Credit program and the Howard County Senior Tax Credit are different. The cash value of qualified retirement savings plans and individual retirement accounts must be reported to Howard County.

QUALIFIED RETIREMENT PLAN DEFINITION:

- A qualified pension, profit-sharing or stock bonus plan (including 401(k), 403(b) plans and 457 deferred comp plans)
- A tax-sheltered annuity contract or a qualified annuity plan
- An IRA

APPLICATION CHECKLIST

Please submit the following with the original copy of the application:

- ID** – Copy of a valid Maryland Driver's License or MVA-issued I.D. for all owners. If an owner listed on the deed does not reside at the property, please provide their state-issued driver's license or state-issued photo identification.
- 2020 Federal Income Tax Return** – copy of the return, with all forms and schedules, completed by an accredited tax preparer **OR**
 - 2020 IRS Wage and Income Transcript – this can be obtained by contacting the IRS at 1-800-908-9946 or by visiting the IRS website at www.irs.gov
- Income** – All income documents, such as W-2, 1099-INT, 1099-DIV, Business tax return
- Social Security & Railroad** – SSA-1099, RRB 1099,
- IRA, Pensions, & Annuities** – 1099R forms for all distributions and rollover forms, if applicable
- Signatures** – Be sure to sign the application and fill out all sections
- If submitting an application by email, please send documents as PDF attachments.

The application and all supporting documents must be submitted by October 1, 2021

Address for Application Submission: Howard County Department of Finance Senior Tax Credit 3430 Court House Drive Ellicott City, MD 21043	Contact Information: Phone: (410) 313-4076 Hours: Monday – Friday 8 a.m. – 5 p.m. Email: taxcredit@howardcountymd.gov Website: www.taxcredits.howardcountymd.gov
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2021 HOWARD COUNTY SENIOR TAX CREDIT APPLICATION – DEADLINE: OCTOBER 1, 2021

APPLICANT INFORMATION

1. Parcel Number		2. Daytime Phone Number	
3. Name (Last, First, M.I.)		4. Social Security Number	5. Date of Birth
6. Spouse/Co-owner (Last, First, M.I.)		7. Social Security Number	8. Date of Birth
9. Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Divorced <input type="checkbox"/> Married <input type="checkbox"/> Widowed (Please provide <u>copy</u> of death certificate)			
10. Property Address (Street Number)		City	Zip
11. Mailing Address, if different from property (Attach Explanation)		City	Zip

ADDITIONAL INFORMATION – *ALL QUESTIONS MUST BE ANSWERED*****

12. You **MUST** list the name of every resident over 18 years of age who lived in your household during the 2020 calendar year, 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: _____ Name: _____

Name: _____ Name: _____

13. Report here the amount of reasonable fixed charges for room, board, rent or expenses paid by residents listed in item 12. **OR**, if no room and board is paid, list the total gross income and provide supporting documentation of income for residents listed in question 12.

Room and Board: \$ _____ per Month

Total Gross Income: \$ _____ per Year

14. Did you or will you file a Federal Income Tax Return for 2020?: **Yes** **No**

- If yes, please submit a copy of your 2020 Federal Income Tax Return with this application.

15. Do you own other real estate (this does not include your primary residence)?: **Yes** **No**

- If yes, please provide a copy of the 2020 Tax Bill for each property and, if applicable, a 2020 Mortgage Interest Statement (1098) for each property.

16. Do you own or operate a business?: **Yes** **No**

- If yes, please submit the K-1 and the business tax return (1065/1120/1120S)

17. Will you reside in the property on July 1, 2021 and for more than 6 months thereafter?: **Yes** **No**

- If no, please attach an explanation

18. SOURCES OF INCOME

<p style="text-align: center;">SOURCES OF INCOME CALENDAR YEAR ENDING: DECEMBER 31, 2020</p> <p>When a document is requested, please DO NOT send the original, send a copy.</p>	(1) APPLICANT	(2) SPOUSE OR RESIDENT CO-OWNER	(3) ALL RESIDENTS
Wages, Salary, Tips, Commissions, Fees (Attach a copy of 2020 W-2)			
Interest (taxable & non-taxable, attach 1099 INT)			
Dividends (taxable & non-taxable, attach 1099 DIV)			
Gross Capital Gains (Includes non-taxable gains)			
Gross Rental Income (Schedule E)			
Gross Business Income (Schedule C/1065/1120/1120S)			
Room & Board (see item 13 instructions)			
Unemployment Insurance; Worker's Compensation (Circle which, attach 1099-G)			
Alimony; Support Money; Public Assistance Grant (Circle which)			
Social Security; SSI Benefits (Circle which, Attach copy of 2020 SSA-1099)			
Railroad Retirement (Attach ENTIRE copy of 2020 RRB 1099)			
Other Federal Pensions (Not including VA Benefits) (Attach a copy of 2020 1099-R)			
Veteran's Benefits per year (Attach a copy of 2020 1099-R)			
Pensions and Annuities (Attach a copy of 2020 1099R If rollover, attach proof of deposit)			
IRA Distributions (Attach a copy of 2020 1099-R If rollover, attach proof of deposit)			
Deferred Compensation (Attach a 2020 W-2 OR 1099 Statement)			
Inheritances; Gifts over \$300; Expenses Paid by Others (Circle which AND provide documentation)			
All other income (Provide source AND documentation)			
TOTAL INCOME FOR CALENDAR YEAR 2020			

19. ASSET INFORMATION – *ALL LINES MUST HAVE AN ANSWER*****

****Please make sure to add the total of A+B+C to the bottom of this section****

A) As of 12/31/2020, what was your total current balance in cash, savings, and checking accounts? A) \$ _____

B) As of 12/31/2020, what was the amount of your investments in **QUALIFIED** retirement plans and individual retirement accounts? (Please see page 3 definition for more information) B) \$ _____

C) As of 12/31/2020, what is the net worth of your investments? C) \$ _____

- *Net Worth means current value minus debt.*
- *Investments include real estate (do not include your primary residence for which this credit is sought), trust funds, money market funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities etc.*
- *Do not include the cash value of life insurance, tangible personal property or the amount already reported in Questions A and B.*

If 19A & C equal less than \$200K and GROSS income is less than \$45K, applicant MUST fill out the Homeowner's Tax Credit Application.

Total Assets (A+B+C) _____

I declare under the penalties of perjury pursuant to Sec.1-201 of the Maryland Tax-Property Code Annotated 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 will be my principal residence for the prescribed period. 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.

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

3rd Party Preparer Preparer Phone Number Date

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