



## HOWARD COUNTY DEPARTMENT OF FINANCE

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

Division of Property Tax Accounting

Email: [taxcredit@howardcountymd.gov](mailto:taxcredit@howardcountymd.gov)  
TDD 410-313-2323

### **2020 TAX DEFERRAL INFORMATION AND INSTRUCTION SHEET DEADLINE: SEPTEMBER 1, 2020**

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 received with requested documentation by September 1 of the current taxable year and meet required guidelines to qualify.

#### **Eligible Property Owners**

The combined gross income of all individuals who reside in the dwelling, except for a dependent of the homeowner or any individual residing in the home 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 consecutive years.
2. Qualify under one of the following criteria:
  - a. Is at least 65 years of age (**please provide a copy of your valid MD government issued photo I.D.**)
  - 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
    - 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 level of property size deemed eligible for payment of 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 determined by the County's current year Property Taxes due which exceed the amount of County's 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 and all costs of recording the document shall be incurred 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.



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### **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 bills. 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 which 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 their income is once again within the required 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**

### **Combined Gross Income**

For purposes of the Tax Deferral program, the applicant must report **total income**, which means the combined **gross** household income before any tax exemptions or deductions are taken. Income information must be reported for the applicant, spouse or co-owner and all other occupants of the dwelling not paying Room & Board 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" does not include:**

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



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### **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 and Schedule K-1) and/or a copy of the corporate return (Form 1120S and 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, 2020. For the property tax year beginning July 1, 2020, please pay the full 1<sup>st</sup> installment in a timely manner to avoid interest charges. Once approved, your deferral will be applied toward your 2<sup>nd</sup> installment or refunded if your bill has been paid in full. However, for future year's processing, once it has been determined the application submitted has been completed in accordance with policy guidelines by May 1<sup>st</sup> and your signed Deferral Agreement is returned to Howard County by June 1<sup>st</sup>, the tax deferral will be deducted on your July 1 bill.

Please mail your completed application along with proof of age, 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 certain individual cases only, a secondary request may be made to submit additional documentation or other items of evidence in an effort to verify income as a means to substantiate information provided on application submitted. Please be advised, an application is always subject to an audit at any time.

### **INFORMATION AND ASSISTANCE**

For information and assistance, call 410-313-4076, Monday – Friday 8 a.m. – 5 p.m.

#### **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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## 2020 TAX DEFERRAL APPLICATION DEADLINE: SEPTEMBER 1, 2020

1. Last Name                      First Name and Middle Initial		2. Your Social Security Number	
3. Your Birth Date and/or Disability		4. Full Name Spouse and/or Co-Owner living in the property	
5. His/Her Social Security Number		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: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed (Please provide a copy of the death certificate)			
14. Parcel ID	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 \_\_\_\_\_

Name \_\_\_\_\_

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 20, Column 3 (All Others)

\$ \_\_\_\_\_ per Month                      \$ \_\_\_\_\_ per Month

19. Did you or will you, and/or your spouse, file a Federal Income Tax Return for 2018?    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.

<p>20. <b>SOURCES OF INCOME</b>  <b>CALENDER YEAR ENDING:</b>  <b>DECEMBER 31, 2019</b></p> <p>When a document is requested, <b>please DO NOT send the original, send a copy.</b>  If no Social Security, Railroad Retirement or other pension benefits were received, then you must <b>enter zero (0) in the appropriate space.</b></p>	(1) APPLICANT	(2) SPOUSE OR RESIDENT CO-OWNER	(3) ALL RESIDENTS
Wages, Salary, Tips, Commissions, Fees (Attach a copy of 2019 W-2)			
Interest (taxable & non-taxable, attach 1099 INT)			
Dividends (taxable & non-taxable, attach 1099 DIV)			
Gross Capital <b>Gains</b> (Includes non-taxable gains)			
Gross Rental Income (Schedule E)			
Grose Business Income (Schedule C/1065/1120S)			
Room & Board (see item 12 instructions)			
Unemployment Insurance; Worker’s Compensation (Circle which, attach 1099G)			
Alimony; Support Money; Public Assistance Grant (Circle which)			
Social Security; SSI Benefits (Circle which, Attach copy of 2019 SSA-1099)			
Railroad Retirement (Attach <b>ENTIRE</b> copy of 2019 RRB 1099)			
Other Federal Pensions (Not including VA Benefits) (Attach a copy of 2019 1099-R)			
Veteran’s Benefits per year (Attach a copy of 2019 1099-R)			
Pensions and Annuities (Attach a copy of 2019 1099R <b>If a rollover, attach proof of deposit</b> )			
IRA Distributions (Attach a copy of 2019 1099-R <b>If a rollover, attach proof of deposit</b> )			
Deferred Compensation ( <b>Attach a 2019 W-2 OR 1099 Statement</b> )			
Inheritances; Gifts over \$300; Expenses Paid by Others (Circle which <b>AND</b> provide documentation)			
All other income (Provide source <b>AND</b> documentation)			
<b>TOTAL INCOME FOR CALENDAR YEAR 2019</b>			

21. 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 \_\_\_\_\_

\_\_\_\_\_

22. 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 later 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 immediate repayment and removal from the program.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse or Resident Co-owner's Signature

**The application and all supporting documents must be submitted by September 1, 2020**

**Address for Application Submission:**  
Howard County Department of Finance  
Tax Deferral  
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