

CITY OF ROCKVILLE
Homeowners' Property Tax Credit
For Tax Bills Received in 2006

Families with gross income of less than \$70,000 may qualify for this credit

What is a credit:

- Reduction in the property tax you pay to the City of Rockville
- About a quarter of your total tax bill is City of Rockville tax

Who qualifies for the credit:

- Homeowners who pay real property tax on a home that is their principal residence
- Gross household income less than \$70,000 per year
- Household net worth less than \$200,000
 - Not including the value of the home
 - Not including qualified retirement savings

What is gross household income:

- Income received by occupants of the home during last completed calendar year
- Does not include income received by dependents or tenants
- Includes income that may not be taxable, such as Social Security
- Includes withdrawals from qualified retirement plans such as a 401(k)

What is the amount of the credit:

- For low-income households, the credit could be several hundred dollars
 - Maximum credit equals city tax on the first \$300,000 of home value
- As income rises, the amount of the credit falls
- The amount of the credit reaches zero at \$70,000 of income

How to apply for the credit:

- Applications available online at <http://www.dat.state.md.us/>
 - Click on "tax credits," then "homeowners' tax credit"
- Or call 240-314-8400, leave your name and address, and application will be sent
- Deadline to send in application and supporting documents is October 31, 2006
- You must apply for this credit each year in order to receive it

Other important information:

- State of Maryland Department of Assessments and Taxation administers the credit
- Montgomery County and the State of Maryland offer similar tax credit programs
 - By sending in one application, you are automatically considered for city, county, and state homeowners' tax credit programs
- Any applicant over 70 years old may apply retroactively for up to two prior years as long as the taxpayer was at least 70 in those years
- For more information, call the City of Rockville at 240-314-8400