

HB 287
Renters' Property Tax Credit Program and
Homeowners' Property Tax Credit Program Alignment

The Renters' Tax Credit Program is a tax credit program modeled after the Homeowners' Property Tax Credit Program. Both programs support housing stability for low income Maryland residents by effectively setting a limit on the amount of property taxes a resident will pay. The programs provide a tax credit or refund check against the person's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. The exact method the credit is applied is based on when the application is processed and whether the individual is a homeowner or renter. The Renters' Tax Credit Program acknowledges that renters indirectly pay property taxes as part of their rent. Both of these programs play vital roles in keeping low-income Marylanders in their homes.

Currently, the Renters' Tax Credit is calculated differently than the homeowners' tax credit. The requirements for qualifying are tied to specific details of the household's gross income, monthly rent, disability status, age, number dependents in the household, and utility payments. Unlike in the Homeowners Tax Credit Program, in the calculation for renters' assets, retirement savings plans and individual retirement accounts are still counted against the renter's ability to receive the credit.

This bill will exclude the value of retirement savings plans or individual retirement accounts from the definition of "assets" for the purposes of the property tax credit provided to renters.

This correction ensures consistency between the credit provided to renters and homeowners accessing this credit.

For more information please contact:
Delegate Lorig Charkoudian, lorig.charkoudian@house.state.md.us
Phone: 410-841-3423