



Testimony to the Senate Budget & Taxation Committee

HB 897: Homeowners' Property Tax Credit - Qualified Homeowner - Application and Certification Requirements
Position: Favorable

March 28, 2023

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401
cc: Senate Budget and Taxation Committee

Chair Guzzone and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are in strong support of HB 897, which allows homeowners who qualify for the Homeowners Tax Credit to be presumed eligible for a three year period before having to re-apply for the tax credit.

For the past six years, Economic Action Maryland's SOAR (Securing Older Adult Resources) program has led efforts to promote the Homeowners' and Renters' Tax Credits. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2022, Economic Action Maryland returned an expected \$480, 429 in homeowners and renters tax credits to financially fragile older adults.

We remind homeowners each year that they must reapply for the Homeowners Tax Credit and many do, but not everyone does-missing out on valuable credits. Some may confuse the annual Homeowners Tax Credit with the one-time Homestead Tax Credit. Others, as they age, experience memory loss and may lose out on this valuable credit due to the natural consequences of aging.

For our own work, our efforts to reach out, remind, and assist our current clients in completing their Homeowners Tax Credit limits our ability to take on new clients and expand awareness of and assistance with completing this tax credit thus, limiting the number of older adults who receive this benefit.

In the past year, inflation has been at a 40 year high and as a recent [Washington Post](#) article notes these soaring prices are increasing the precarity of many older adults,



particularly those living on a fixed income. UMASS Boston's [Elder Index](#) found that older adult homeowners in Maryland need \$41, 736 a year to live independently which is 115% higher than the national average. The Homeowners Tax Credit is an important tool in assisting older adults in reaching the amount they need to live independently.

HB 897 will ensure more older adults receive this credit by reducing burdensome re-application while still ensuring that they meet the income eligibility requirements. It will also allow Economic Action Maryland and other nonprofits to use our limited staff capacity to reach new applicants and expand the use of this credit which benefits more financially fragile older adults statewide.

For all of these reasons, we support HB 897 and urge a favorable report.

Sincerely,
Isadora Stern
Policy Manager