



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**Senate Bill 283
In the Senate Budget and Taxation Committee– Property Tax Credit
Attestation of Gross Income
Hearing on January 17, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 283 in response to a request from Senator Guzzone.

Maryland Legal Aid (MLA) represents low-income homeowners in foreclosure mediations, tax sales, litigation connected to foreclosure, foreclosure matters, and bankruptcies connected to home preservation. MLA also helps many clients to apply for retroactive and current year property tax credits. This bill permits homeowners who do not file tax returns because they only receive non-taxable income such as social security to attest to their income as opposed to having to provide proof of it to be eligible for the Maryland Homeowners Tax Credit. SB 283 will be favorable to homeowners that MLA represents and permit them to more easily access the tax credit.

Under current law requires that homeowners who do not file tax returns to provide a copy of their 1099-SSA and/or 1099-R tax documents that they received from the IRS for the previous year if they want to qualify for the current year's tax credit. This requirement is an unnecessary burden, especially to elderly homeowners who do not file taxes and may not see a need to keep income documents. Earlier this month, I spent nearly three hours with an elderly client trying to find these documents to no avail. This bill would eliminate this time-consuming document requirement and make it much easier for elderly and low-income homeowners to obtain the homeowners property tax credits that they are entitled to.

SB 283 will have the effect of a small but consequential change. The change makes the tax credit easier to obtain thus averting the adverse effect of a property tax delinquency for many elderly and low income homeowners. Making the credits easier to obtain will also mean that the adverse consequences from non-payment of property taxes will be less likely to occur for these low-income, elderly homeowners. Those negative consequences include loss of a home due to tax sale, reverse mortgage foreclosure, or could include loss of homeowners insurance or other negative results. This small change alone will do a great deal to limit the number of homeowners that suffer these adverse consequences.

SB 283 also makes the credit easier to obtain thus encouraging more homeowners, especially elderly homeowners, to exercise their right to obtain the property tax credit, even those who are unable to obtain legal assistance. The change will also make it easier for non-attorney family members and social workers to assist these homeowners in obtaining these property tax credits.

Because SB 283 supports the intent of the homeowner property tax credit and will make it easier for low-income homeowners to obtain the Homeowners Property Tax Credit, MLA urges a favorable report on SB 283. If you need additional information in regards to this bill, please contact William Steinwedel at wsteinwedel@mdlabor.org and (410) 951-7643.

/s/William F. Steinwedel

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Maryland Legal Aid Bureau