



Testimony to the House Ways and Means Committee
HB287 - Tax Credits – Homeowners and Renters – Income Calculation
Position: Favorable

February 6, 2024

Del Vanessa Atterbeary, Chair
Room 131
House Office Building
Annapolis, Maryland 21401
Cc: Members, Ways and Means Committee

Honorable Chair Atterbeary and Members of the Committee:

I am writing in support of House Bill 287, which proposes an important amendment to the Renters' Property Tax Relief Program. This bill seeks to exclude the cash value of any qualified retirement savings plan or individual retirement accounts from the definition of assets for the purpose of this program.

This bill has significant implications for older adults and low-income families in Maryland, particularly in Baltimore City. By excluding retirement savings from the calculation of assets, the bill ensures that these vulnerable groups are not unfairly penalized for their efforts to manage their household finances.

Impact on Older Adults

For older adults, especially those living on fixed incomes, every dollar counts. Many have worked hard to save for their retirement and it is unjust to consider these savings as regular assets. This bill recognizes the unique financial challenges faced by seniors and ensures they are not disqualified from receiving much-needed tax relief.

Client Story: Mrs. Renter

Consider the case of Mrs. Renter, a 70-year-old widow living in Baltimore City. Despite living frugally on a fixed income from her late husband's pension and her own retirement savings, she often struggled to make ends meet due to the high cost of rent and medical expenses. When she applied for the Renters' Property Tax Relief Program, she was disappointed to find out that she was ineligible because the cash value of her retirement savings plan was considered an asset, pushing her just above the asset limit for the program. This setback had a significant impact on her household. Without the tax credit, she had to cut back on other necessities to afford her rent. The proposed changes in House Bill 287 would have made a significant difference for Mrs. Renter. By excluding the cash value of retirement savings from the definition of assets, Mrs. Renter would have qualified for the tax credit, providing her with much-needed financial relief.

Impact on Low-Income Families



For low-income families, this bill could mean the difference between just getting by and having a little extra to invest in their futures. By not counting retirement savings as assets, more families might fall below the asset threshold, thereby becoming eligible for the tax credit. This could make a world of difference for families struggling to make ends meet.

Impact on Baltimore City

For the past five years, I've worked with older adults and low income families in Baltimore City, where the poverty rate is significantly higher than the national average. This bill could provide critical support to thousands of families and older adults, making it easier for residents to qualify for the Renters' Property Tax Relief Program by alleviating some of the financial stress they face and contribute to the overall economic health of the city.

In conclusion, House Bill 287 represents a step in the right direction towards a more equitable tax system. By supporting this bill, we can help ensure that our most vulnerable residents receive the financial assistance they need. I urge you to vote in favor of this bill.

Thank you for your consideration.

Sincerely,

Francine Hyman
Securing Older Adult Resources (SOAR) Program Director