



## House Bill 287

### *Tax Credits – Homeowners and Renters – Income Calculation*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

To: Ways and Means Committee

Date: February 6, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS HB 287 WITH AMENDMENTS**. MACo contends that any state legislation to expand eligibility for existing local-option supplemental tax credits, like this bill, should be subject to the discretion of the local governing body.

As introduced, HB 287 expands eligibility for a state property tax credit for which some local jurisdictions have adopted local supplemental credits. Without clarifying language that this expansion is itself subject to a local option, expanding the breadth of the existing credit may result in a more considerable fiscal loss than counties anticipated when originally enacting supplemental credits.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Local-option property tax credits allow counties to enact credits tailored to their specific community needs. Additionally, they give each jurisdiction broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits an optional credit enables.

Counties welcome the opportunity to work with state policymakers to develop flexible and optional tools to implement comprehensive or targeted tax incentives but resist state-mandated changes that preclude local input.

Accordingly, MACo urges the Committee to issue HB 287 a report of **FAVORABLE WITH AMENDMENTS** to grant counties proper flexibility to determine whether expanding an existing local-option supplemental property tax credit is in their best interest.