

LORIG CHARKOUDIAN  
Legislative District 20  
Montgomery County

Economic Matters Committee

*Subcommittees*

Public Utilities

Chair, Unemployment Insurance



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

HB 287- TAX CREDITS- HOMEOWNERS AND RENTERS- INCOME CALCULATION

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

FEBRUARY 6, 2024

Chair Atterbeary, Vice Chair Wilkins, and Members of the Ways and Means Committee,

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 Renters' Tax Credit Program acknowledges that renters indirectly pay property taxes as part of their rent.

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 calculations for renters and homeowners in accessing this credit and ensures renters are not unduly punished for long term financial planning.

I respectfully request a favorable report on HB 287.