

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 483

(Delegate Ivey)

Ways and Means

Budget and Taxation

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**Homeowners' Property Tax Credit - Identification of Eligible Homeowners**

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This bill requires the Comptroller's Office to include individuals who failed to file an income tax return for any of the three most recent taxable years when identifying individuals for the State Department of Assessments and Taxation (SDAT) who may be eligible for the homeowners' property tax credit.

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**Fiscal Summary**

**State Effect:** General fund expenditures increase *by up to* \$252,000 annually beginning in FY 2023. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The homeowners' property tax credit program is a State-funded program that provides credits against State and local real property taxation for homeowners who qualify based on a sliding scale of property tax liability and income. Homeowners must apply to SDAT each year in order to be eligible for the property tax credit. The application is available on the department's website, and current applications may be filed beginning February 15, 2022, through October 1, 2022. Approximately 45,000 individuals receive the property tax credit each year. SDAT reports that the average homeowners' property tax credit is approximately \$1,350. The proposed fiscal 2023 State budget includes \$64.7 million for the program.

Chapters 667 and 668 of 2016 required SDAT to provide the Comptroller with a list of owners of residential properties with an assessed value of \$300,000 or less who failed to claim the homeowners' property tax credit during the preceding three years. The Comptroller must (1) review the information provided by SDAT; (2) identify individuals who may be eligible but failed to claim the homeowners' property tax credit; and (3) provide contact information of the identified individuals to SDAT. SDAT must then contact these individuals by mail to inform them on how to apply for the homeowners' property tax credit program.

**State Fiscal Effect:** General fund expenditures increase *by up to* \$252,000 annually beginning in fiscal 2023 to notify homeowners of their potential eligibility for the homeowners' property tax credit. The actual annual expenditure increase depends on the number of additional homeowners who are required to be notified each year.

In 2021, SDAT sent a list of 682,135 accounts to the Comptroller's Office for identification, as required under current law, and the Comptroller's Office indicated there were 119,228 homeowners that SDAT had to notify for potential eligibility for the property tax credit.

However, The Comptroller's Office does not have data on the number of homeowners among those who were not required to be notified (approximately 560,000) who did not file an income tax return during the three most recent taxable years. As a result, general fund expenditures for notification mailing will increase *by up to* \$252,000 annually beginning in fiscal 2023 (\$0.45 per mailing x 560,000 homeowners).

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2022  
js/hlb  
Third Reader - March 17, 2022

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