

HOUSE BILL 1427

Q1

6lr2787

By: **Delegate Ruth**

Introduced and read first time: February 13, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Credits – Renters’ Tax Credit, Homeowners’ Tax Credit, and**
3 **Homestead Tax Credit – Altering Eligibility and Amount**

4 FOR the purpose of altering eligibility for the renters’ tax credit; altering the calculation of
5 and the maximum amount of the renters’ tax credit for certain taxable years; altering
6 the eligibility for and the calculation of the homeowners’ tax credit for certain taxable
7 years; making homeowners with a certain federal adjusted gross income ineligible
8 for the homestead property tax credit; and generally relating to property tax credits.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – Property
11 Section 9–102(a)(1) and (b) and 9–104(b)(1)
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2025 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 9–102(a)(9), (h), and (i) and 9–104(g) and (j)
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2025 Supplement)

19 BY adding to
20 Article – Tax – Property
21 Section 9–105(a–1)
22 Annotated Code of Maryland
23 (2019 Replacement Volume and 2025 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That the Laws of Maryland read as follows:

26 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 9–102.

2 (a) (1) In this section the following words have the meanings indicated.

3 (9) “Renter” means an individual, who during the calendar year for which
4 the property tax relief under this section is sought, actually occupies a dwelling in which
5 the individual has a leasehold interest and who:

6 (i) is at least 60 years old;

7 (ii) has been found permanently and totally disabled and has
8 qualified for benefits under:

9 1. the Social Security Act;

10 2. the Railroad Retirement Act;

11 3. any federal act for service members; or

12 4. any federal retirement system;

13 (iii) has been found permanently and totally disabled by a county
14 health officer or the Baltimore City Commissioner of Health; or

15 (iv) is under the age of 60 years and:

16 1. has gross income below **200% OF** the poverty threshold
17 that is established by the U.S. Department of Commerce, Bureau of the Census in August
18 of the previous calendar year;

19 2. has 1 or more dependent children under 18 years old living
20 with the renter; and

21 3. does not receive federal or State housing subsidies or
22 reside in public housing.

23 (b) There is a property tax relief program for any renter.

24 (h) (1) The property tax relief that a renter may receive under this section is
25 the assumed property tax on real property less a percentage of the combined income of the
26 renter.

27 (2) The percentage is:

28 **(I) FOR THE TAXABLE YEAR BEGINNING JULY 1, 2027:**

1 [(i)] 1. 0% of the 1st [\$4,000] **\$8,000** of combined income;

2 [(ii)] 2. 2.5% of the 2nd [\$4,000] **\$8,000** of combined income; and

3 [(iii)] 3. 5.5% of the combined income over [\$8,000] **\$16,000**;

4 (II) **FOR THE TAXABLE YEAR BEGINNING JULY 1, 2028:**

5 1. **0% OF THE 1ST \$12,000 OF COMBINED INCOME;**

6 2. **2.5% OF THE 2ND \$12,000 OF COMBINED INCOME;**

7 **AND**

8 3. **5.5% OF THE COMBINED INCOME OVER \$24,000; AND**

9 (III) **FOR THE TAXABLE YEAR BEGINNING JULY 1, 2029, AND**
10 **EACH TAXABLE YEAR THEREAFTER:**

11 1. **0% OF THE 1ST \$16,000 OF COMBINED INCOME;**

12 2. **2.5% OF THE 2ND \$16,000 OF COMBINED INCOME;**

13 **AND**

14 3. **5.5% OF THE COMBINED INCOME OVER \$32,000.**

15 (i) The property tax relief under this section may not be:

16 (1) more than [\$1,000]:

17 (I) **FOR THE TAXABLE YEAR BEGINNING JULY 1, 2027, \$1,200;**

18 (II) **FOR THE TAXABLE YEAR BEGINNING JULY 1, 2028, \$1,500;**

19 **AND**

20 (III) **FOR THE TAXABLE YEAR BEGINNING JULY 1, 2029, AND**
21 **EACH TAXABLE YEAR THEREAFTER, \$2,000;**

22 (2) granted to any renter whose combined net worth exceeds \$200,000 as
23 of December 31 of the calendar year for which the property tax relief is sought;

24 (3) granted to any renter whose dwelling is exempt from property tax; and

25 (4) granted if the credit under this section is less than \$1 in any year.

1 9–104.

2 (b) (1) The homeowners' tax credit under this section is a State-funded
3 program.

4 (g) (1) Except as provided in subsection (h) of this section, the property tax
5 credit under this section is the total real property tax of a dwelling, less the percentage of
6 the combined income of the homeowner that is described in paragraph (2) of this subsection.

7 (2) The percentage is:

8 (I) FOR THE TAXABLE YEAR BEGINNING JULY 1, 2027:

9 [(i)] 1. 0% of the 1st [\$8,000] **\$10,000** of combined income;

10 [(ii)] 2. 4% of the next [\$4,000] **\$6,000** of combined income;

11 [(iii)] 3. 6.5% of the next [\$4,000] **\$6,000** of combined income; and

12 [(iv)] 4. 9% of the combined income over [\$16,000] **\$22,000**;

13 (II) FOR THE TAXABLE YEAR BEGINNING JULY 1, 2028:

14 1. **0% OF THE 1ST \$12,000 OF COMBINED INCOME;**

15 2. **4% OF THE 2ND \$10,000 OF COMBINED INCOME;**

16 3. **6.5% OF THE NEXT \$10,000 OF COMBINED INCOME;**

17 AND

18 4. **9% OF THE COMBINED INCOME OVER \$32,000;**

19 (III) FOR THE TAXABLE YEAR BEGINNING JULY 1, 2029:

20 1. **0% OF THE 1ST \$12,000 OF COMBINED INCOME;**

21 2. **4% OF THE 2ND \$14,000 OF COMBINED INCOME;**

22 3. **6.5% OF THE NEXT \$14,000 OF COMBINED INCOME;**

23 AND

24 4. **9% OF THE COMBINED INCOME OVER \$40,000; AND**

1 **(IV) FOR THE TAXABLE YEAR BEGINNING JULY 1, 2030, AND**
2 **EACH TAXABLE YEAR THEREAFTER:**

3 **1. 0% OF THE 1ST \$12,000 OF COMBINED INCOME;**

4 **2. 4% OF THE 2ND \$18,000 OF COMBINED INCOME;**

5 **3. 6.5% OF THE NEXT \$20,000 OF COMBINED INCOME;**

6 **AND**

7 **4. 9% OF THE COMBINED INCOME OVER \$50,000.**

8 (j) (1) A property tax credit under this section may not be granted to a
9 homeowner whose combined net worth exceeds \$200,000 as of December 31 of the calendar
10 year that precedes the year in which the homeowner applies for the property tax credit or
11 whose combined gross income exceeds [\$60,000 in that same calendar year] **THE**
12 **FOLLOWING AMOUNTS:**

13 **(I) FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2026,**
14 **\$65,000;**

15 **(II) FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2027,**
16 **\$72,000;**

17 **(III) FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2028,**
18 **\$80,000; AND**

19 **(IV) FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2029,**
20 **AND EACH CALENDAR YEAR THEREAFTER, \$88,000.**

21 (2) If a property tax credit under this section is less than \$1 in any taxable
22 year, the credit may not be granted.

23 (3) A homeowner may claim a property tax credit under this section for
24 only 1 dwelling.

25 (4) Except as provided in subsection (u) of this section, if a property tax
26 credit is issued under this section, the credit or a voucher for a credit may be used only in
27 the taxable year in which it was issued or the next succeeding taxable year. However, a
28 homeowner whose dwelling is sold for taxes may receive the credit until the final decree
29 under § 14-844 of this article is entered.

30 9-105.

1 **(A-1) (1) A HOMEOWNER WITH A FEDERAL ADJUSTED GROSS INCOME THAT**
2 **IS GREATER THAN \$300,000 IS NOT ELIGIBLE FOR THE PROPERTY TAX CREDIT**
3 **UNDER THIS SECTION.**

4 **(2) THE DEPARTMENT SHALL ADOPT REGULATIONS THAT ESTABLISH**
5 **PROCEDURES TO VERIFY THE INCOME OF HOMEOWNERS FOR PURPOSES OF THIS**
6 **SUBSECTION.**

7 **(3) NOTWITHSTANDING § 13-202 OF THE TAX – GENERAL ARTICLE,**
8 **THE COMPTROLLER SHALL PROVIDE THE DEPARTMENT WITH ANY INFORMATION**
9 **REQUIRED TO CARRY OUT THIS SUBSECTION.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
11 1, 2027, and shall be applicable to all taxable years beginning after June 30, 2027.