

SENATE BILL 980

Q1

6lr3604

By: **Senator Salling**

Introduced and read first time: February 15, 2026

Assigned to: Rules

Re-referred to: Budget and Taxation, February 22, 2026

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2026

CHAPTER _____

1 AN ACT concerning

2 **Property Tax – Credit for Dwelling House of Disabled Veterans and Surviving**
3 **Spouses – Alterations**

4 FOR the purpose of ~~altering~~ repealing a certain income limitation and certain disability
5 rating percentages used to establish eligibility for a certain property tax credit
6 against the county or municipal corporation property tax imposed on the dwelling
7 house of certain disabled veterans and their surviving spouses; authorizing the
8 Mayor and City Council of Baltimore City or the governing body of a county or
9 municipal corporation to provide for, by law, additional eligibility criteria for the tax
10 credit; and generally relating to a property tax credit for the dwelling house of a
11 disabled veteran and a surviving spouse.

12 BY repealing and reenacting, with amendments,
13 Article – Tax – Property
14 Section 9–265
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2025 Supplement)

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

19 **Article – Tax – Property**

20 9–265.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

2 (2) “Disabled veteran” means an individual who:

3 (i) is honorably discharged or released under honorable
4 circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101; and

5 (ii) 1. has been declared by the U.S. Department of Veterans
6 Affairs to have a permanent service-connected disability of at least 50% that results from
7 blindness or any other disabling cause that:

8 A. is reasonably certain to continue for the life of the veteran;
9 and

10 B. was not caused or incurred by misconduct of the veteran;
11 or

12 2. has been declared by the U.S. Department of Veterans
13 Affairs to have a nonpermanent service-connected disability of 100% that results from
14 blindness or any other disabling cause that was not caused or incurred by misconduct of
15 the veteran.

16 (3) “Dwelling house”:

17 (i) means real property that is:

18 1. the legal residence of a disabled veteran; and

19 2. occupied by not more than two families; and

20 (ii) includes the lot or curtilage and structures necessary to use the
21 real property as a residence.

22 (b) The Mayor and City Council of Baltimore City or the governing body of a
23 county or municipal corporation may grant, by law, a property tax credit under this section
24 against the county or municipal corporation property tax imposed on a dwelling house if:

25 (1) the dwelling house is owned by a disabled veteran; AND

26 (2) ~~the disabled veteran’s federal adjusted gross income for the~~
27 ~~immediately preceding taxable year does not exceed:~~

28 ~~(1) \$100,000, IF FILING AN INDIVIDUAL INCOME TAX RETURN;~~

29 ~~OR~~

1 ~~(H)~~ ~~\$200,000, IF FILING A JOINT INCOME TAX RETURN; and~~

2 ~~(3)~~ the application requirements of subsection ~~(d)~~ **(C)** of this section are
3 met.

4 ~~(e)~~ ~~The property tax credit granted under this section shall equal:~~

5 ~~(1)~~ ~~50% of the county or municipal corporation property tax imposed on the~~
6 ~~dwelling house if the disabled veteran's service-connected disability rating is at least [75%]~~
7 ~~70% and the disabled veteran does not qualify for a property tax exemption under § 7-208~~
8 ~~of this article; or~~

9 ~~(2)~~ ~~25% of the county or municipal corporation property tax imposed on the~~
10 ~~dwelling house if the disabled veteran's service-connected disability rating is at least 50%~~
11 ~~but not more than [74%] 69%.~~

12 ~~(d)~~ **(C)** (1) A disabled veteran shall apply for the property tax credit under
13 this section by providing to the county or municipal corporation:

14 (i) a copy of the disabled veteran's discharge certificate from active
15 military, naval, or air service; and

16 (ii) on the form provided by the county or municipal corporation, a
17 certification of the disabled veteran's disability from the U.S. Department of Veterans
18 Affairs.

19 (2) The disabled veteran's certificate of disability may not be inspected by
20 individuals other than:

21 (i) the disabled veteran; or

22 (ii) appropriate employees of the county or municipal corporation.

23 ~~(e)~~ **(D)** The Mayor and City Council of Baltimore City or the governing body of
24 a county or municipal corporation may, by law, continue to provide the property tax credit
25 under this section to the surviving spouse of the disabled veteran.

26 ~~(f)~~ **(E)** The Mayor and City Council of Baltimore City or the governing body of a
27 county or municipal corporation may provide, by law, for:

28 (1) the AMOUNT AND duration of the tax credit;

29 (2) regulations and procedures for the application and uniform processing
30 of requests for the tax credit;

1 (3) the definition of surviving spouse and the amount and duration of the
2 tax credit for the surviving spouse;

3 (4) notwithstanding subsection (a)(2)(ii)2 of this section, eligibility criteria
4 for the credit allowed under this section that limits the credit to individuals described under
5 subsection (a)(2)(ii)1 of this section;

6 **(5) ADDITIONAL ELIGIBILITY CRITERIA, INCLUDING CRITERIA BASED**
7 **ON INCOME AND DISABILITY RATING;** and

8 ~~(5)~~ **(6)** any other provision necessary to carry out the tax credit under
9 this section.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
11 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.