

Chapter 646

(House Bill 1611)

AN ACT concerning

Property Tax – Credit for Dwelling House of Disabled Veterans and Surviving Spouses – Income Eligibility

FOR the purpose of ~~repealing~~ altering a certain income limitation used to establish eligibility for a property tax credit against the county and municipal corporation property tax imposed on the dwelling house of a certain disabled veteran or surviving spouse ~~and instead authorizing the governing body of a county or a municipal corporation to establish eligibility criteria that limits the property tax credit based on a disabled veteran’s federal adjusted gross income~~; and generally relating to a property tax credit for the dwelling house of disabled veterans and surviving spouses.

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

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

Article – Tax – Property

9–265.

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

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

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

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

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

and

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

or

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

(3) “Dwelling house”:

(i) means real property that is:

1. the legal residence of a disabled veteran; and
2. occupied by not more than two families; and

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

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

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

(2) ~~the~~ the disabled veteran’s federal adjusted gross income for the immediately preceding taxable year does not exceed ~~\$100,000~~;

(I) \$150,000, IF FILING AN INDIVIDUAL INCOME TAX RETURN;

OR

(II) \$300,000, IF FILING A JOINT INCOME TAX RETURN; and

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

(c) The property tax credit granted under this section shall equal:

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

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

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

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

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

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

(i) the disabled veteran; or

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

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

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

(1) the duration of the tax credit;

(2) ~~ELIGIBILITY CRITERIA FOR THE TAX CREDIT THAT LIMITS THE CREDIT BASED ON A DISABLED VETERAN'S FEDERAL ADJUSTED GROSS INCOME FOR THE IMMEDIATELY PRECEDING TAXABLE YEAR;~~

~~(3)~~ regulations and procedures for the application and uniform processing of requests for the tax credit;

~~[(3)] (4)~~ the definition of surviving spouse and the amount and duration of the tax credit for the surviving spouse;

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

~~[(5)] (6)~~ any other provision necessary to carry out the tax credit under this section.

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

Approved by the Governor, May 26, 2026.