

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 745 (Delegate Mireku-North, *et al.*)
 Ways and Means

Income Tax - Senior Tax Credit - Refundability

This bill makes the senior tax credit refundable. **The bill takes effect July 1, 2026, and applies to tax year 2026 and beyond.**

Fiscal Summary

State Effect: General fund revenues decrease by an estimated \$191.4 million in FY 2027; future years reflect projected growth in eligible refund claims. The Comptroller’s Office can implement the bill’s change with existing budgeted resources.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	(\$191.4)	(\$193.4)	(\$195.3)	(\$197.2)	(\$199.2)
Expenditure	0	0	0	0	0
Net Effect	(\$191.4)	(\$193.4)	(\$195.3)	(\$197.2)	(\$199.2)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapters 3 and 4 of 2022 established a nonrefundable State income tax credit for resident taxpayers who are at least age 65 and whose federal adjusted gross income (AGI) does not exceed \$100,000 (\$150,000 for joint filers, heads of household, and qualified surviving spouses). The amount of the tax credit is equal to \$1,000 (\$1,750 for heads of household, qualified surviving spouses, and joint filers if both spouses are at least age 65). For a tax year in which the September general fund estimate issued by the Board of Revenue Estimates for the current fiscal year is more than 3.75% below the

March general fund estimate issued in the same year, the value of the tax credit is reduced by 50% for taxpayers whose federal AGI is at least \$50,000 (\$100,000 for joint filers, heads of household, and qualified surviving spouses).

State Revenues: General fund revenues decrease by an estimated \$191.4 million in fiscal 2027 due to refunds of excess senior tax credit. Future years reflect projected growth in eligible refund claims. This estimate is based on an analysis of recent-year senior tax credit claims data.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Department of Legislative Services

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sj/jrb

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