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Finance Committee



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THE SENATE OF MARYLAND
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**Testimony of Senator Hayes in Support of Senate Bill 809: Homeowners' Property Tax
Credit—Easy Application and Automatic Renewal**

March 9, 2022

Dear Chairman Guzzone and Members of the Budget and Taxation Committee,

For the majority of the last decade, Marylanders experienced a larger drop in homeownership than the national average. The reasons for this decline included property tax bills, which strained homeowners' budgets and caused foreclosures and tax sales. Many of the victims of these levies were eligible for the Homeowners Property Tax Credit, which would absolve them of their taxes. However, the inconvenience of a separate application made it difficult to apply for the credit, especially for the elderly population. These barriers are even more significant for potential Black homeowners. For most of these citizens, their houses are the only equity they can pass on to their future generations, and they have spent decades to pay off their mortgages.

Senate Bill 809 would require the addition of a notification on the residents' individual income tax returns of their eligibility for the tax credit. An additional form would also be supplied to apply for the tax credit at the same time that the resident was filling out their tax returns. Once they apply for the tax credit one year, the bill would not require the residents to reapply every year and they would receive their yearly tax credit as long as their financial situation did not change.

The bill includes explicit directions for homeowners to immediately inform the city if their qualifying homeowner's income has changed for any reason. The unfortunate reality is that most of these homeowners' income is fixed and less than \$60,000. Any surprise tax bills they receive on account of their inability to fill out a form destabilizes not only their personal finances but also makes it difficult to care for the entire family in that household. No citizen should have to be in such a precarious state despite being protected against it by the law. This bill would ensure that that does not happen again.

Thus, I urge a favorable report on Senate Bill 809.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Antonio Hayes'.

Senator Antonio L. Hayes
40th Legislative District - MD