



COMPTROLLER
of MARYLAND
Serving the People

Letter of Information – Senate Bill 443 – Income Tax - Credit for Pet-Friendly Rental Dwelling Units

Budget and Taxation Committee

February 15, 2022

- *This statute would require the Comptroller to publicly disclose information included on a taxpayer's confidential tax return for a purpose other than tax administration.*
 - *Publicly disclosing information contained on a tax return, by default, also discloses the fact that a taxpayer filed a return, which is, in itself, confidential tax information.*
 - *The Comptroller's Office objects to being required to publicly disclose any information from a tax return for a non-tax administration purpose, as doing so undermines the voluntary nature of our tax system.*
- Proposed change to TG 10-754(F) would require COM to publish a list of landlords who *claim* the credit – not those who were *awarded* the credit.
 - If the published list of those who *claimed* the credit includes landlords for whom the credit was *not* approved (ex: if they failed to provide the list of properties, or if they maintained a non-refundable pet fee), the list would not accurately reflect the legislative intent - to publicize landlords who offer pet-friendly rental dwelling units.
 - Recommendation: alter language of legislation to direct COM to post a list of those who were *awarded* the credit.
- The term "companion animal" is not defined in this legislation. The use of the word "pet" in the title is confusing and is likewise undefined. If the legislation is meant to address *all* pets (because they provide companionship for their owners) or, specifically, *only* service animals recommended by health care providers to assist individuals with certain medical conditions, COM would recommend including definitions for these terms or references to where they exist elsewhere in MD code to assist with compliance.
 - As the latter term ("service animals") is largely unregulated, that could make administration and enforcement difficult for COM.
 - If the former term ("pet") is the intent, the number of landlords eligible to claim the credit (and the fiscal note, as a result) could be significantly larger than if this credit were to *only* apply to service animals.

As always, the Comptroller's Office is willing and available to discuss these concerns or any questions you may have at your convenience. Please contact Justin Hayes, Legislative Director at jhayes@marylandtaxes.gov or 410-260-7696.