



Senate Bill 901

Property Tax – Elderly Individuals and Veterans Tax Credit – Amount and Duration

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 10, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 901. This bill would alter a local property tax credit for specified elderly individuals and veterans by authorizing local governments to determine the amount and duration of the property tax credit.

MACo generally supports legislation that provides broad authority to enact tax incentives for revitalization and tax relief purposes, and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. Counties prefer the approach offered by this optional property tax credit, as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

Under current law, local governments may authorize a property tax credit for older individuals, veterans, and surviving spouses. The maximum duration of the credit is five years, and the credit is limited to 20 percent of the total property tax. In addition, local governments may provide, by law, the maximum assessed value of a dwelling that is eligible for the credit, and, if necessary, any additional eligibility criteria.

By eliminating these caps, each jurisdiction that chooses to enact the credit could tailor it to their specific community needs. Additionally, it would give each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

As amended, SB 901 would ensure local governments have flexibility in enacting local policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 901.