



House Bill 404

*Property Tax – Local Homeowners' Credit Supplement –
Limitation on Combined Gross Income*

MACo Position: **SUPPORTS**

To: Budget and Taxation Committee

Date: March 30, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 404 as amended. The bill grants additional flexibility for local governments to provide tax relief to residents who need assistance but do not qualify for the State homeowners' 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 HB 404 as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

This bill authorizes counties and municipal corporations to alter a certain limitation on the combined gross income of a homeowner for purposes of a local supplement to the homeowners' property tax credit. This will allow each jurisdiction that chooses to enact the credit to tailor it to their specific community needs. Additionally, it gives each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

To that end, MACo supports this bill as a wise approach to facilitating access to support services at the time when it is most helpful. HB 404 ensures local governments have flexibility in enacting local policies designed to serve and react to community needs.

For these reasons, MACo urges the Committee to issue a **FAVORABLE** report on HB 404.