



House Bill 1113

Property Tax Credit – Disabled or Fallen Law Enforcement Officer or Rescue Worker – Alterations

MACo Position:

To: Ways and Means Committee

LETTER OF INFORMATION

Date: March 7, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) takes no position on HB 1113, but raises the following issues for the Committee's consideration on the tax policy matters raised by this bill.

MACo contends that any state legislation to expand eligibility for existing local-option tax credits, like this bill, should be subject to the discretion of the local governing body. As introduced, HB 1113 makes several substantive changes to an existing credit program that many local jurisdictions have already adopted. Without clarifying language that this expansion is itself subject to a local option, expanding the breadth of an existing credit may result in a more considerable fiscal loss than counties anticipated when originally enacting the credit.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Local-option property tax credits allow each county that chooses to enact a credit to tailor it to their specific community needs. Additionally, they give each jurisdiction broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by an optional credit.

Counties welcome the opportunity to work with state policymakers to develop flexible and optional tools to implement comprehensive or targeted tax incentives, and urge the Committee to grant counties proper flexibility to determine whether expanding an existing local-option property tax credit is in their best interest.