



Testimony to the House Ways and Means Committee

HB 898: Homeowners' Property Tax Credit - Qualified Homeowner - Application and Certification Requirements
Position: Favorable

February 28, 2023

The Honorable Vanessa E. Atterbeary, Chair
House Ways & Means Committee
Room 131, HOB
Annapolis, MD 21401
cc: Members, Ways & Means Committee

Chair Atterbeary and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are in strong support of HB898, which requires an assessment and evaluation of the income eligibility limits for homeowners and renters tax credits compared to inflation.

For the past six years, Economic Action Maryland's SOAR (Securing Older Adult Resources) program has led efforts to promote the Homeowners' and Renters' Tax Credits. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2022, Economic Action Maryland returned an expected \$480, 429 in homeowners and renters tax credits to financially fragile older adults.

In the past year, inflation has been at a 40 year high and as a recent [Washington Post](#) article notes these soaring prices are increasing the precarity of many older adults, particularly those living on a fixed income. UMASS Boston's [Elder Index](#) found that older adult homeowners in Maryland need \$41, 736 a year to live independently which is 115% higher than the national average.

For older adults who rent, they face greater financial strain. In 2019, Maryland had the 8th highest number of renters who were cost-burdened in the country, with 48.1 % paying more than 30% of their income for housing, while many are severely cost-burdened paying more than 50% for a rental. Recent inflation levels have hit a 40 year high, and have only exacerbated the financial precarity of renters, particularly older adults. Skyrocketing rents coupled with a chronic housing shortage have left



many older low-income Maryland renters at risk of displacement and housing insecurity.

In 2021, 45% of our clients who are 60+ and seeking assistance through our tenants' rights program came to us with issues relating to eviction.

The Homeowners' and Renters' Tax Credits are an important tool in enhancing older adults' financial security and enabling them to continue to age in place. HB 898 will ensure that these credits keep pace with inflation so that in real terms, older adults' income doesn't fall. HB 898 will assess whether to adjust income eligibility based on inflation to ensure older adults' real purchasing power remains the same.

For all of these reasons, we support HB 898 and urge a favorable report.

Sincerely,
Isadora Stern
Policy Manager