

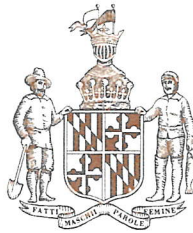
NANCY J. KING
Legislative District 39
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

Chair

Education, Business and
Administration Subcommittee



James Senate Office Building
11 Bladen Street, Room 120
Annapolis, Maryland 21401
301-858-3686 · 410-841-3686
800-492-7122 Ext. 3686
Fax 301-858-3670 · 410-841-3670
Nancy.King@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 340 – Property Tax – Credit of Offset Increases in Local Tax Revenue

January 24, 2024

Mister Chairman and Members of the Budget and Taxation Committee:

Currently, local governments are authorized to grant the Income Tax Offset Credit (ITOC) against their local property tax imposed on real property to offset increases in local income tax revenues resulting from a county income tax rate that is greater than 2.6%.

Under a law passed in 2020, in order to be eligible for the ITOC, owners of residential properties are required to file a Homestead Property Tax Credit Application with the Maryland State Department of Assessments and Taxation (SDAT). This measure ensured that county funds committed to this tax credit were being issued only to principal residents, where in the past, money would be issued to investment properties and second homes. The 2020 bill took effect June 1, 2022, and applies to taxable years beginning after June 30, 2022.

Senate Bill 340 will enable counties who wish to extend the application of the prior legislation to begin after June 30, 2022 but before July 1, 2025, allowing those residents additional time to file their Homestead Property Tax Credit Application.

I respectfully request a favorable report on Senate Bill 340.