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HEARING DATE: January 24, 2024

BILL: SB0340

TITLE: Property Tax - Credit to Offset Increases in Local Tax Revenue.

SDAT POSITION: SUPPORT

The Department of Assessments and Taxation supports Senate Bill 340 - Property Tax - Credit to Offset Increases in Local Tax Revenue. This legislation would extend the effective date of HB 1200 (2020) which used applications for the Homestead tax credit to verify eligibility for local income tax offset credits (ITOCs).

The Department is continuing to update its IT systems to accommodate the increased volume of applications for the Homestead Tax Credits. Furthermore, the Department has received an influx of inquiries from concerned residents who are receiving property tax bills that do not include this year's ITOC and seek to claw back the previous year's ITOC. Many residents in jurisdictions that have implemented HB 1200 are still unaware that they are required to have a Homestead Tax Credit application on file to receive their local ITOC.

Senate Bill 340 would give any jurisdiction that implemented HB 1200 the option to extend the effective date of the bill to 2025, from 2022, allowing more time to educate the public and process the influx of Homestead Tax Credit applications.

Accordingly, the department requests a **FAVORABLE** report on Senate Bill 340.