



CITY TAKOMA OF PARK MARYLAND

Support Senate Bill 342 - Tax Credit Homeowners and Renters - Income Calculation
Senate Budget & Tax Committee
January 24, 2024

The City of Takoma Park supports and urges favorable consideration of this bill.

The City of Takoma Park is a densely developed, largely residential municipality of almost 18,000 people living within 2.4 square miles in Montgomery County. According to the U.S. Census, approximately 13.6 percent of the City's residents were 65 years of age or older. Moreover, half of the City's residents are renters, and the other half are homeowners. With the rising property values in the area, it is important that the City supports relief efforts to enable its residents, renters and homeowners alike, to age in place.

This bill supports this effort by aligning both low-income property tax relief and credit programs for renters and for homeowners, on the issue of retirement funds. By aligning the definition of what assets can be excluded from the definition of gross income, it would level the field between homeowners and renters, who pay property taxes through their rent.

This bill would exclude the cash value of qualified retirement savings plans or individual retirement accounts from the definition of "assets" for renters, to align it with the definition of assets for homeowners.

The City of Takoma Park, supports this bill because it advances equity by ensuring equitable access to tax relief for low-income renters. Nationally, Black or African American residents are nearly 10 times less likely to own a home compared to White Americans. The City of Takoma Park is not immune from this disparity.

This bill would assist more low-income renters to stay in our community.

In sum, the City of Takoma Park supports SB 342, and encourages a favorable vote.

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