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Economic Matters Committee

Chair
Business Regulation Subcommittee

House Chair
Joint Committee on Federal Relations



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 6th, 2024

Dear Members of the Ways and Means Committee,

HB 401 (Property Tax Exemption – Rental Income – Reporting Requirement) requires the owner of certain tax-exempt real property to report any rental income attributable to their property to the State Department of Assessments and Taxation (SDAT). This report must be submitted within 30 days of the lease agreement, with leases for less than one year being exempt.

This legislation does not impose any new taxes or fees on exempt property owners, and does not make any new properties subject to taxation. This bill does help to ensure that SDAT is able to recognize any rental income value added to a tax exempt property, as intended by Maryland statute. Counties also rely on property tax revenue to fund critical resources. By requiring all rental income is being reported, SDAT will be able to ensure local governments are capturing available revenue.

HB 401 is a simple technical change which will ensure vital property tax revenue does not slip through the cracks, and help SDAT collect more accurate data.

Please do not hesitate to reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lily Qi'.

Delegate Lily Qi