



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 89 Income Tax - Credit for Individuals Without Motor Vehicles (One Less Car Act of 2024)

STATEMENT OF INFORMATION

DATE: January 30, 2024

COMMITTEE: Ways and Means Committee

SUMMARY OF BILL: House Bill 89 proposes a tax credit of \$1,000 for certain qualified taxpayers that do not own a car or were not listed as insured on another individual's personal motor vehicle liability insurance policy.

EXPLANATION: Although the impact of House Bill 89 is indeterminate, the Comptroller's Office estimates a general fund revenue reduction between \$286 million and \$293 million annually from fiscal 2025 to fiscal 2029.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, the Department urges caution in passing legislation significantly reducing general fund revenues. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes.

It would be challenging for the State to manage this revenue loss given the forecasted out-year deficits for the General Fund.

**For additional information, contact Laura Vykol-Gray at
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