

SHEILA RUTH
Legislative District 44B
Baltimore County

Government, Labor, and
Elections Committee
Chair, Labor Subcommittee



Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 326
Annapolis, Maryland 21401
410-841-3802
800-492-7122 Ext. 3802
Sheila.Ruth@house.maryland.gov

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

SPONSOR TESTIMONY IN SUPPORT OF HB1427
PROPERTY TAX CREDITS - RENTERS' TAX CREDIT, HOMEOWNERS' TAX CREDIT, AND
HOMESTEAD TAX CREDIT - ALTERING ELIGIBILITY AND AMOUNT

Delegate Sheila Ruth
March 3, 2026

HB1427 aims to ease the burden of the housing affordability crisis by making the Renters' Tax Credit and Homeowners' Tax Credit more accessible to the constituents it was intended to reach.

The objective of the Homeowners' Tax Credit was to give much needed property tax relief to low to middle income families. The Renters' Tax Credit was intended to make housing more affordable for some of our most vulnerable populations: those who are above the age of 60, are permanently and totally disabled, or are at least 200% below the poverty line and living with a dependent minor.

However, this support is not reaching those who need it. The income levels required to qualify for and used to calculate these credits are not tied to inflation and have not been increased in nearly a decade. As a result, the number of eligible applications submitted has gone down almost every year. That number was over eleven thousand for the Renters' Tax Credit in 2005, but this year it is likely to be closer to six thousand.

HB1427 adjusts the tiers used to calculate each credit to better align with the cost of living in 2026. Additionally, it increases the income residents can earn over the next four years while remaining eligible for the Homeowners' Tax Credit from \$60,000 to \$88,000, and raises the maximum relief available for renters over the next three years from \$1,000 to \$2,000.

Aspects of this bill may look familiar to some members of the committee. Similar bills have been introduced by Delegate Charkoudian in 2023 and by now Vice Chair Feldmark. Unfortunately, those efforts were stifled by their fiscal notes. To address that concern, this bill

adds an income cap of \$300,000 to the currently uncapped Homestead Tax Credit. This will help to offset the revenue loss from increasing the other two tax credits, while ensuring wealthy Marylanders are paying their fair share. It also includes a phased in approach over several years to stagger costs.

The last time these limits were adjusted it was the result of a bipartisan effort in 2016 that included many current members of this committee. It went on to be passed unanimously in the Senate and nearly unanimously (with all but one member voting in favor) in the House.

Our offices are hearing from Marylanders concerned about the high cost of housing, including rent and property taxes, every day. This is an already established, pre-existing program that can be updated to reduce their struggles immediately. It was the goal of the General Assembly in 1957 to make this relief available to Marylanders who need it, and many people over the years have invested time and effort into ensuring it continues to do so. I ask for a favorable report on HB1427 in order to better deliver on this same goal today.