



**House Bill 1427 – Property Tax Credits – Renters' Tax Credit, Homeowners' Tax Credit,
and Homestead Tax Credit – Altering Eligibility and Amount**

Position: Support with Amendment

Maryland REALTORS® supports efforts to strengthen Maryland's property tax credit programs so housing cost pressures do not force Marylanders out of their homes or out of their communities. House Bill 1427 updates three major programs by modifying eligibility for the renters' tax credit, adjusting how the renters' and homeowners' credits are calculated for certain taxable years, increasing maximum benefit amounts, and altering eligibility standards within the homestead credit.

HB 1427 strengthens these tax credit programs by widening eligibility, raising benefit caps, and adjusting the formulas used to calculate relief so assistance keeps pace with today's property tax burdens. As property assessments have risen across much of the State, relief tools must evolve to remain meaningful. These updates improve stability for renters and homeowners and help reduce displacement tied to growing tax pressures.

Concerns arise with the provision making homeowners with a federal adjusted gross income above \$300,000 ineligible for the homestead property tax credit. The homestead credit operates differently from the renters' and homeowners' credits. It is a structural assessment limitation designed to provide long term predictability in owner occupied property tax bills. Introducing a strict income cutoff shifts the credit from a stability mechanism to an income screened benefit and creates a new tax cliff that could penalize homeowners in years when income temporarily increases, particularly in high value jurisdictions where tax exposure is already significant.

Maryland REALTORS® recommends an amendment removing the income-based disqualification so the bill's expanded relief provisions can move forward while preserving the homestead credit's core function of protecting homeowners from sudden assessment spikes.

With that amendment, Maryland REALTORS® respectfully request a favorable report on House Bill 1427.

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