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Ways and Means Committee

Chair

Child Care Subcommittee

Early Childhood and
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of House Bill 745: Income Tax - Senior Tax Credit - Refundability

February 19, 2026

Chair Wilkins and Vice Chair Feldmark and esteemed members of the Ways and Means Committee, it is my pleasure to come before you to offer testimony in favor of **House Bill 745: Income Tax - Senior Tax Credit - Refundability**.

This legislation seeks to strengthen the Senior Tax Credit that was enacted in 2022 by making it refundable. Under current law, eligible seniors can only reduce their tax bill to zero, with any remaining credit lost. HB 745 ensures that when the value of the credit exceeds a senior's tax liability, the remaining balance is refunded – putting real dollars back into the pockets of Maryland's seniors, especially those on lower, fixed incomes.

This bill is meeting the moment as we seek more affordable living for our senior population. With housing costs, food costs, and health care costs on the rise, seniors would benefit by making this senior tax credit refundable to help keep up with the increased cost of living and to support older Marylanders who wish to age in place.

The bill provides a \$1,000 State income tax credit for individual Maryland residents age 65 or older whose federal adjusted gross income is below \$100,000. It also provides a \$1,750 credit for married couples, filing jointly in Maryland whose federal adjusted gross income is below \$150,000. I am open to amending the bill to make it more affordable for the State while still helping our seniors through this tax credit program, including giving counties the authority to create their own refundable senior tax credits, reducing the refundable credit amount, or limiting refundability to those who do not receive a property tax exemption, as is done in other states.

Currently, Maryland's state and local tax system remains regressive in practice. Lower-income households pay a larger share of their earnings than the very wealthy. According to the [Institute on Taxation and Economic Policy](#), the poorest 20% of Marylanders pay approximately 9.7% of their income to state and local taxes while the richest 1% pay about 6.7%. Middle income earners pay 10.8 to 12%, underscoring the skewed burden.

This structure compounds existing racial disparities in income and wealth. Today, [according to the Institute on Taxation and Economic Policy](#), the median household income for Black and African American Marylanders is \$79,000 compared to \$110,000 for white Marylanders. There is a higher poverty rate for Black Marylanders at 13.6%, versus 6.5% for white Marylanders. [According to data from the Maryland Department of Housing and Community Development](#), Black and Hispanic renters have slightly higher levels of households that are "severely cost burdened," meaning that they spend more than 50% of their income on housing. The severely cost burdened rate is 23% for White renters and 27% for both Black and Hispanic renters.

This senior tax credit would help low-wealth taxpayers of all racial and ethnic backgrounds, but it would disproportionately assist those who are most cost-burdened and help address the racial wealth gap present in Maryland. By making the Senior Tax Credit refundable, House Bill 745 seeks to provide relief to those who need it most. It is a targeted and meaningful way to support seniors who have contributed to our communities and economy for decades. For these reasons, I respectfully urge a favorable report with amendments on House Bill 745.



The Honorable Bernice Mireku-North, Esq.
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