



# Homeowners' Tax Credit Program

## What is the Homeowners' Property Tax Credit Program?

The State of Maryland has developed a program which allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income.

In other words, it sets a limit on the amount of property taxes any homeowner must pay based upon his or her income.



# Homeowners' Tax Credit

- ❖ The program was established in 1978 and is designed to relieve the burden of paying property taxes.
- ❖ Homeowners of all ages are eligible based on gross household income.



# Four Legal Requirements

- ❖ Legal Interest (includes Life Estate, Continuing Retirement Communities, Cooperatives)
- ❖ Principal Residence (must reside on July 1<sup>st</sup> and more than six months thereafter unless ill, in need of special care, or New Purchaser)



# Four Legal Requirements (Cont'd)

- ❖ Net Worth cannot exceed \$200,000 (excludes the value of principal residence, cash value of IRAs or qualified retirement savings plans).
- ❖ Must meet the \$60,000 gross income requirement for the State Program.



# Income Defined

- ❖ All monies (taxable or non-taxable)
- ❖ Must submit copy of: Complete Federal Return (including all schedules) if required to file.
- ❖ SSA 1099 (if receiving Social Security Benefits)



# Taxes Subject to Credit

- ❖ Limited to first \$300,000 of the assessed value.
- ❖ Curtilage- if you own large tracts of land credit limited to curtilage (the amount of taxes limited to the portion of the dwelling used for residential purposes only).
- ❖ Does not include metropolitan charges-e.g. flat charges, front foot benefit (sewer, water, improvement repayments)



# Supplemental Homeowners' Tax Credit

In addition to the State of Maryland's Homeowners' Tax Credit, there are a limited number of Municipal Supplemental Tax Credits available to eligible homeowners in certain jurisdictions.



# Supplemental Homeowners' Tax Credit

Municipalities in Prince George's County that  
Provide Supplemental Homeowners' Tax Credits:

Bowie

College Park

Greenbelt

Hyattsville

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# How Credits Are Granted

- ❖ The Department uses a formula based on income to determine eligibility.
- ❖ HTC will be issued on the July tax bill if received by May 1<sup>st</sup> and no additional information is needed.



**2018 Combined  
Gross Household Income  
Before Deductions**

**Tax Limit**

\$1 - 8,000	\$ 0
9,000	40
10,000	80
11,000	120
12,000	160
13,000	225
14,000	290
15,000	355
16,000	420
17,000	510
18,000	600
19,000	690
20,000	780
21,000	870
22,000	960
23,000	1,050
24,000	1,140
25,000	1,230
26,000	1,320
27,000	1,410
28,000	1,500
29,000	1,590
30,000	1,680

**and up to a  
maximum  
of \$60,000**

**\***

**\* For each additional \$1,000 of income, add \$90 to \$1,680 to  
find the amount that your tax must exceed. The gross  
household income cannot exceed \$60,000 in order to be  
eligible for a tax credit.**

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# Filing Deadline

- ❖ September 1<sup>st</sup> of every filing year.
- ❖ Applicants must apply every year.



# Applicants Age 70 and Over

- ❖ Are not subject to the September 1<sup>st</sup> deadline date.
- ❖ Applicants age 70 and over who have not applied previously may be eligible to apply for 3 prior years.



# 2018 Homeowners' Tax Credit Statistics

- ❖ Applications received - **68,616**
- ❖ Number of Homeowners' Tax Credits issued – **46,691**
- ❖ Homeowners' Tax Credit dollars issued –  
approx **\$61.5 million**
- ❖ Average Homeowners' Tax Credit - **\$1,348**



# Renters' Credit Program

## What is the Renters' Credit Program?

Similar to the Homeowners' Tax Credit Program, the State of Maryland has developed a program which provides relief to eligible renters whose rent payments are high relative to their total income. The majority of recipients are those age 60 or over, but the program is also available to those who are 100% disabled or those under 60 with at least one dependent child.



# Renters' Credit Program

- ❖ The Renters' Tax Credit Program was established in 1980 for applicants age 60 or over and for applicants that are disabled.
- ❖ The program was expanded in 1984 to include applicants under the age of 60.
- ❖ The Renters' Tax Credit Program was derived from the Homeowners' Tax Credit Program.
- ❖ In 2015, the Prince George's County Council passed legislation that provides a Prince George's County Renters' Tax Credit to anyone eligible for the State Renters' Tax Credit. If the renter receives the State credit, the County sends a supplemental credit equal to  $\frac{1}{2}$  of the amount paid by the State. No additional application is required.



# Age 60 and Over

- ❖ 100% totally & permanently disabled
- ❖ Surviving spouse of one who satisfies age or disability requirement.



# Under Age 60

- ❖ Must have one dependent under the age of 18 living with the applicant during the calendar year.
- ❖ Does not receive Federal or State housing subsidies (e.g., Section 8).
- ❖ Total gross income is below the poverty threshold guidelines.



# Renters' Credit Program Eligibility

- ❖ Applicants can receive a direct check payment of up to \$1,000\* each year
- ❖ Prince George's County renters can receive an additional credit of up to \$500\* each year

\*Effective as of 2017



# Requirements For All Applicants

- ❖ Applicants must have leasehold interest and be legally responsible to pay rent.
- ❖ First time applicants must submit proof of rent paid (e.g., cancelled checks, bank statements).
- ❖ Dwelling must be a rented residence or mobile pad but cannot be rented from public housing authority or exempt organization.
- ❖ Net Worth cannot exceed \$200,000.



# Sources of Income

Must report all income (taxable & non-taxable)

## Rent Paid

Rent paid does not include housing subsidies or any other monthly fees.



# Filing Deadline

- ❖ September 1<sup>st</sup>
- ❖ Applicants must apply every year.



# 2018 Renters' Credit Statistics

- ❖ Applications received – **11,983**
- ❖ Number of Renters' Tax Credits issued – **8,773**
- ❖ Renters' Tax Credit dollars issued –  
approx **\$3.6 million**
- ❖ Average Renters' Tax Credit - **\$414**



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# HTC and RTC Applications are Available:

- ❖ [www.dat.maryland.gov](http://www.dat.maryland.gov)
- ❖ Call 1-800-944-7403 toll free or 410-767-4433
- ❖ Local Assessment Office:  
14735 Main Street, Ste. 354B  
Upper Marlboro, Maryland 20772  
Phone: (301) 952-2500  
E-mail: [sdat.princeg@Maryland.gov](mailto:sdat.princeg@Maryland.gov)
- ❖ County Property Tax Office