



House Bill 1427

*Property Tax Credits - Renters' Tax Credit, Homeowners' Tax Credit, and
Homestead Tax Credit - Altering Eligibility and Amount*

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Ways and Means Committee

Date: March 3, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1427 **WITH AMENDMENTS**. This bill increases eligibility thresholds and benefit amounts under the Renters' Tax Credit and the State Homeowners' Property Tax Credit and establishes a new income-based limitation for the Homestead Tax Credit.

While these changes expand eligibility and increase the value of State-level property tax credits, MACo requests amendments to guard against unintended impacts on locally authorized supplemental credits and to ensure the bill does not automatically expand county fiscal obligations without local approval.

Counties recognize the importance of targeted property tax relief for renters and homeowners facing rising housing costs. Several jurisdictions have adopted local supplemental credits, and some programs reference elements of the state credit when determining eligibility or calculating benefits.

Because the bill modifies eligibility thresholds and income calculations at the state level, the bill may automatically broaden eligibility under certain locally authorized supplemental programs. That automatic linkage could increase county fiscal exposure without action by the local governing body.

The bill also establishes a \$300,000 federal adjusted gross income cap for eligibility under the Homestead Tax Credit and requires income verification through SDAT and the Comptroller. Counties need clear implementation guidance to ensure consistent administration and to understand any local revenue implications tied to changes in Homestead eligibility.

Accordingly, MACo requests amendments to ensure that changes to the State Renters', Homeowners', and Homestead Tax Credits do not alter or expand locally authorized supplemental credits unless a county affirmatively adopts those changes by local law and that counties are consulted on implementation changes affecting the Homestead cap.

For these reasons, MACo respectfully requests a **FAVORABLE WITH AMENDMENTS** report on HB 1427.