



## State of Maryland **PROPERTY TAX CREDIT**

Information you need to know

It has come to our attention that many residents are not aware of property tax credits available through the State of Maryland Department of Assessments and Taxation. Please check to see if you are eligible for one of these tax credits and then tell a friend or neighbor about them. Learn more at [www.dat.state.md.us](http://www.dat.state.md.us). You can also call the Tax Credits Telephone Service at 1-800-944-7403.

### Homeowners' Property Tax Credit Program

For homeowners with a combined gross household income of \$60,000 or less, this program allows credits against the homeowners' property tax bill if the taxes exceed a fixed percentage of a person's gross income. It sets a limit on the amount of property taxes a homeowner must pay based on his or her income. Income is defined as the gross income before any deductions are taken. Nontaxable retirement benefits such as Social Security and Railroad Retirement must be reported as income. You must apply every year no later than September on a standard application supplied by the Department of Assessments and Taxations.

**Example:** If your combined household income is \$16,000, your tax limit is \$420. You would be entitled to receive a credit for any taxes above the \$420. If your actual property tax bill was \$990, you would receive a tax credit in the amount of \$570, the difference between the actual tax bill and the tax limit.

### Homestead Property Tax Credit

To help homeowners deal with large assessment increases on their principal residence, state law established the Homestead Property Tax Credit. The Homestead Credit limits the increase in taxable assessments each year to a fixed percentage. Every county and municipality in Maryland is required to limit taxable assessment increases to 10% or less each year. Prince George's County has a 2% cap which further limits increases.

Check the status of your Homestead eligibility by looking up your property on the Real Property database at: <http://www.dat.state.md.us/sdatweb/taxassess.html>

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