

**ERIC LUEDTKE**  
*Legislative District 14*  
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MAJORITY LEADER

Ways and Means Committee

Chair, Revenues Subcommittee



The Maryland House of Delegates  
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**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

**March 3rd, 2020**

**SPONSOR Testimony on House Bill 1200**

**Property Tax - Credit to Offset Increases in Local Income Tax Revenues - Eligibility**

Madame Chair, Distinguished Members of the Ways and Means Committee,

Currently, local governments are authorized to grant the Income Tax Offset Credit (ITOC) against their local property tax imposed on real property to offset increases in local income tax revenues resulting from a county income tax rate that is greater than 2.6%. Currently, the owners of residential properties are not required to file a Homestead Property Tax Credit Application with the Maryland State Department of Assessments and Taxation (SDAT). This creates a loophole in the difference between “occupied” home and “owned” home.

This bill simply requires homeowners to file this Homestead Property Tax Credit Application with SDAT in order to be eligible for this tax credit. This measure would ensure that county funds committed to this tax credit are being issued only to principal residents. In the past, money would be issued to investment properties and second homes, leading to the improper issuance of millions of dollars worth of property tax credits.

I have requested two amendments to this bill. The first would delay the effective date by 2 years. The second will include language clarifying that any increase in revenue resulting from the bill should not count towards any revenue caps in county charters.

Thank you,

Delegate Eric Luedtke

A handwritten signature in black ink, appearing to read "Eric Luedtke", written in a cursive style.