



House Bill 480 – Homestead Property Tax Credit – Calculation of Credit for Dwelling Purchased by First-Time Homeowner

Position: Support

Maryland REALTORS® supports HB 480, which allows a local government to grant first-time homebuyers additional relief under the homestead tax credit.

Under current law, the Homestead Tax Credit is not available if the property is transferred to new ownership. While HB 480 would generally retain that rule for most real estate transactions, it would establish a calculation where a first-time buyer could receive an additional homestead credit based on the previous property owner's assessment.

A frequently noted barrier to first-time homeownership is saving for down payment and closing costs. Included in those closing costs is a pre-payment of applicable property taxes for the dwelling. By reducing the amount of property taxes that are due in the first year of ownership, closing costs decrease and counties can enable additional residents to become property owners.

With the rate of first-time buyers hovering at 30-year lows, REALTORS® believe that HB 480 is one way to boost those numbers in Maryland and make homeownership more affordable. We encourage a favorable report.

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