

Frederick County Tax Credit Seminar



Diane Fox, CPA, Director of Treasury

Erica Wang, Treasury Manager

Mandy Mansell, Tax Credit Specialist

Frederick County Treasury Department

- Location (Downtown/Frederick City):
 - 30 N. Market Street Frederick, MD 21701
- 301-600-1111
- www.frederickcountymd.gov/treasury
- treasuryquestions@frederickcountymd.gov
- taxcredit@frederickcountymd.gov (credit inquiries only)
- Hours 8:00 am - 4:00 pm, Monday - Friday
- Drive-up window is available

Frederick County Department of Aging-and-Independence

- The Senior Services Division offers programs and activities that support older adults in their effort to remain healthy, active and independent and to age in place with dignity
- Website: www.frederickcountymd.gov/AgingandIndependence
- Email: seniorservices@FrederickCountyMD.gov
- Locations:
 - 1440 Taney Avenue Frederick, MD 21702 -Phone:301-600-1234
 - 12 East A Street, Brunswick, MD 21716
 - 300 South Seton Avenue, Emmitsburg, MD 21727
 - 9020 Amelung Street, Frederick, MD 21704

State Department of Assessments and Taxation

- Location: (behind FSK Mall)
 - 5310 Spectrum Drive, Suite E
Frederick, MD 21703
- 301-815-5350
- www.dat.maryland.gov
- Hours 8:00 am - 5:00 pm, Monday - Friday

State Homeowner Tax Credit

- Program developed by the State which allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of a person's gross income
- Must own or have a legal interest in the property
- Must be principal residence where you live at least 6 months of the year, including July 1
- Combined gross household income cannot exceed \$60,000
 - Income must be reported for homeowner, spouse and all other occupants unless they are dependents or paying rent or room & board
 - Income from all sources must be reported, including Social Security
- Net worth, not including home or qualified retirement savings or individual retirement accounts, must be less than \$200,000
- Only available on first \$300,000 of property's assessed value

Senior Property Tax Credit

- Is a supplement to the State Homeowner Tax Credit
- Administered by the State Department of Assessments and Taxation. Citizens must apply using the State's application
- Homeowner must be at least 65 years of age
- Effective 7/1/2024:
 - Gross income of household increased to \$100,000 or less on an assessed value up to \$400,000
- All limitations/requirements of the State credit apply

Senior Property Tax Credit Amount

Effective July 1, 2024:

- For a taxpayer with a combined gross household income of \$50,000 or less, the tax credit is equal to 50% of net County tax
- For a taxpayer with a combined gross household income greater than \$50,000 but not more than \$100,000, the tax credit is equal to 30% of net County tax.

Municipal Senior Tax Credits

- For homeowners located in Frederick City:
 - Homeowner must be at least 70 years of age
 - Gross income of household must be \$40,000 or less
 - 25% of the net Frederick City tax
- For homeowners located in Walkersville City:
 - Homeowner must be at least 65 years of age
 - Gross income of household must be \$100,000 or less
 - 50% of the net Walkersville town tax
- Use State's Homeowner Tax Credit application
- All limitations/requirements of the State credit apply

Filing Deadline

- Deadline is the same for both the Homeowner Tax Credit and Senior Tax Credit (same application)
- If filed by April 15, the credit(s) may appear on the July 1 property tax bill
- The application must be submitted no later than October 1st.
- If at least 70, the deadline is expanded and can file retroactively for current year plus two prior years
- You are encouraged to file online:

[Maryland Property Tax Credit Programs](#)

Example - State Tax Credit ONLY:

- Homeowner is over 65 years old and meets the other requirements for the State Homeowner Tax Credit
- Gross household income is \$22,944
- Homeowner receives a State Homeowner Tax Credit in the amount of \$1,193.44
- Homeowner does not qualify for the County Senior Tax Credit because the State credit was large enough to reduce County tax to zero

Example - Senior Tax Credit ONLY

- Homeowner is over 65 years old
- Gross income is \$61,000
- Homeowner does not qualify for the State Tax Credit because income is over State's limit of \$60,000
- Homeowner receives a County Senior Tax Credit in the amount of \$619.30

Example - Both Senior & State Tax Credits

- Homeowner is 65 and meets the other requirements for the State and County Senior Tax Credits
- Gross income is \$44,510
- Homeowner receives a State Homeowner Tax Credit in the amount of \$238.69
- Homeowner receives a County Senior Tax Credit in the amount of \$490.20

Elderly Individual Property Tax Credit

- Must be principal residence where you live at least 6 months of the year, as of July 1
- At least 65 years of age
- Have owned and lived in the same dwelling for at least the preceding 30 years
- Combined gross household income cannot exceed \$82,381.30 (Effective 7/1/2024)
- Available on first \$400,000 of property's net assessed value

Elderly Individual Additional Information

- An annual application is due no later than October 1st for the July bill generated in the corresponding year.
- Must attach a copy of the first page of the deed showing the settlement date and ownership interest
- Must attach a copy of the federal income tax return or proof of income if no federal return is filed

- The credit is equal to 20% of the eligible net
- County property tax and Frederick (Municipal) tax.

Uniformed Services Property Tax Credit

- Must own or have a legal interest in the property
- Must be principal residence where you live at least 6 months of the year, including July 1
- At least 65 years of age AND be a retired member of the Uniformed Services of the United States

OR

- Be an active, honorably discharged or retired member of the uniformed services of the United States AND have a service-connected disability
- Available on first \$400,000 of property's net assessed value
- Surviving spouse (not remarried) credit available

Uniformed Services Additional Information

- An annual application is due no later than October 1st for the July bill generated in the corresponding year.
- Proof of retirement (i.e. DD214 - retired separation)

OR

- A Department of Veteran Affairs benefit letter:
 - The combined service-connected evaluation/rating
 - Dated within 6 months of the application
- The credit is equal to 20% of the eligible net
- County property tax and Frederick (Municipal) tax.

Partially Disabled Veteran Tax Credit

- ▶ A partially disabled veteran is an individual who:
 - ▶ Is honorably discharged or released under honorable circumstances from active military, naval or air service; and
 - ▶ Has been declared by the VA to have a permanent service-connected disability of 50-99% that is reasonably certain to continue for the life of the veteran and was not caused by misconduct
- ▶ Disabled veteran's federal AGI for the immediately preceding taxable year does not exceed \$100,000
- ▶ The property tax credit shall equal:
 - ▶ 50% of the County and Frederick City property tax imposed if the disability rating is at least 75% but not more than 99%
 - OR
 - ▶ 25% of the County and Frederick City property tax imposed if the disability rating is at least 50% but not more than 74%

Partially Disabled Veteran Tax Credit continued

- An annual application is due no later than October 1st for the July bill generated in the corresponding year.
- Must attach a copy of the federal income tax return or proof of income if no federal return is filed
- A Department of Veteran Affairs benefit letter:
 - The combined service-connected evaluation/rating
 - Dated within 6 months of the application
- ▶ Surviving spouse (not remarried) credit available
- ▶ May be combined with the State Homeowner/Senior Tax Credit
- ▶ If a disabled veteran is 100% permanent & totally disabled, an exemption application needs to be submitted to the State Assessment office.

REAL PROPERTY TAX CREDIT COMPARISON

**Eligibility/
Requirements
for ALL credits:**

- >An application must be submitted each year by **October 1st** to confirm eligibility
- >The property must be a principal residence, per the State Assessment & Taxation Dept, for at least 6 months beginning July 1
- >No credits will be applied toward any special tax district (i.e. community development authority tax, electric lighting, fire/rescue) or fees such as the Bay Restoration Fee, Storm water, or System Benefit Charge

	State Homeowner	Senior Citizen's Supplement to State Homeowner	Elderly Individual(s)	Uniformed Service Members	Partially Disabled Veteran <i>May combine with State Homeowner Tax Credit(s)</i>
AGE:	Any age	65+	65+	65+ and a retired member OR Any age w/ a service-connected disability	Any age, declared by the Dept of Veterans Affairs to have a permanent service-connected disability between 50-99%.
INCOME LIMIT:	Gross Household \$60,000 or less	Gross Household \$100,000 or less <i>Effective 7/1/2024 (FY25)</i>	Gross Household \$82,381.30 or less <i>Effective 7/1/2024 (FY25)</i>	N/A	Federal Adjusted Gross (for the military member) \$100,000 or less
ASSESSMENT LIMIT:	\$300,000*	\$400,000 (FY25)*	\$400,000*	\$400,000*	N/A*
<i>*(calculated on the lesser of the limit stated or the total minus any homestead credit)</i>					
CREDIT %:	Determined by State	30% of net County	20% of net County	20% of net County	25% of net County (50-74%disability) 50% of net County (75-99%disability)
ADDITIONAL INFO/ REQUIREMENTS:	Only one application is submitted. The State will determine eligibility for both/either of these credits.		Must be on the deed AND reside in the same dwelling for at least the preceding 30 years	Eligible for a surviving spouse who has not remarried and meets the requirements listed above	No more than 2 families may occupy the residence
	\$200,000 ASSET LIMIT: (excludes the value of the principal residence & qualified retirement savings)				Eligible for a surviving spouse who has not remarried & meets the above requirements
AGENCY THAT PROCESSES THE APPLICATION:	State Assessments & Taxation Dept PO Box 49005 Baltimore, MD 21297 1-800-944-7403 sdat.homeowners@ maryland.gov		Frederick County Government- Treasury Department 30 N Market Street Frederick, MD 21701 301-600-1111 TaxCredit@FrederickCountyMD.gov		

Homestead Tax Credit

- The Homestead Credit limits the increase in taxable assessments each year to a fixed percentage on their principal residence
- All homeowners must submit a one-time application with the State Assessment office to establish eligibility
- Every county and municipality is required to limit taxable assessment increases to 10% or less each year
- State cap is 10%, County cap is 5%
- Cap for municipalities differs by town

Example

- Old assessment was \$100,000
- New phased-in assessment for the first year is \$120,000
- An increase of 5% would result in an assessment of \$105,000
- The difference between \$120,000 and \$105,000 is \$15,000
- Tax credit would apply to the taxes due on the \$15,000
- At a tax rate of \$1.06 per \$100 of assessed value, the tax credit would be \$159 ($\$15,000/100 \times \1.06)

How to Check

- Visit the SDAT website at dat.maryland.gov
- Click on Search the Real Property Database
- Enter search criteria
- Status of application is at the bottom of your property information page
- You can contact the Treasury Department, the Senior Services Division, or SDAT and we can assist

Renter's Tax Credit

- Direct check payment of up to \$1,000
- Over 60 or 100% disabled within income guidelines OR
- Under 60 with at least one dependent under 18 living with renter, no housing subsidies or public housing, and under income limits
- Deadline to file is October 1
- Encouraged to file online

Third Party Notification Program

- The program allows seniors and the disabled to designate a third party to receive a copy of the property tax bill for their principal residence
- Third party must be an adult and is under no legal obligation
- Third party agrees to check on the property owner to be sure that the tax notices have been received and encourage the importance of prompt payment
- Once application is made, copies of the property tax bill will be sent to the third party designee until the homeowner advises Treasury to stop

Homeowner Protection Program

- ▶ Administered by the State Tax Sale Ombudsman's Office at State Department of Assessments and Taxation
- ▶ Helps homeowners facing tax sale by offering a loan agreement with the Ombudsman's Office.
- ▶ To be eligible:
 - ▶ The homeowner must either be at risk of or in the tax sale process
 - ▶ The homeowner must reside in their principal residence
 - ▶ The dwelling must be assessed at \$300,000 or less.
 - ▶ The homeowner's combined annual household income must be \$60,000 or less.
 - ▶ Their total assets, other than dwelling, must not exceed \$200,000.

Homeowner Protection Program Additional Information

- ▶ Priority enrollment is given to homeowners who are:
 - ▶ At least 60 years old;
 - ▶ Owner occupants of their home for at least 10 years; or
 - ▶ Currently receiving disability benefits from the federal Social Security Disability Insurance Program or the federal Supplemental Security Income Program
- ▶ Once enrolled, the homeowner's tax sale debt is satisfied with the County. The State provides an affordable repayment plan up to three years. They also offer an assistance strategy tailored to the owner's needs and ongoing communications and support.

State Department of Assessments Tax Sale Ombudsman Office

- ▶ Website: www.dat.Maryland.gov/taxsale
- ▶ Email: sdat.taxsale@maryland.gov
- ▶ (410) 767-4994 (Office)
- ▶ (833) 732-8411 (Toll free)

Questions?