

HOMESTEAD TAX CREDIT

What is the Homestead Credit?

To help homeowners deal with large assessment increases on their principal residence, state law has 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



HOMESTEAD TAX CREDIT

SCENARIO: \$100,000 PROPERTY IS RE-ASSESSED AT \$130,000

	Normal Phase In		Current 5% County Homestead Tax Credit		Proposed 3% County Homestead Tax Credit	
	Assessment	Tax	Assessment	Tax	Assessment	Tax
Year 1	\$110,000	\$1,162	\$105,000	\$1,109	\$103,000	\$1,088
Year 2	\$120,000	\$1,267	\$110,250	\$1,164	\$106,090	\$1,120
Year 3	\$130,000	\$1,373	\$115,763	\$1,222	\$109,273	\$1,154
Year 4			\$121,551	\$1,284	\$112,551	\$1,189
Year 5			\$127,628	\$1,348	\$115,927	\$1,224
Year 6			\$130,000	\$1,373	\$119,405	\$1,261
Year 7					\$122,987	\$1,299
Year 8					\$126,677	\$1,338
Year 9					\$130,000	\$1,373

