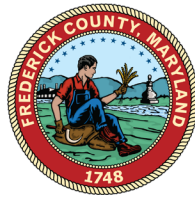


Frederick County Tax Credit Seminar



Diane Fox, CPA, Director of Treasury

Erica Wang, Treasury Manager

Mandy Mansell, Tax Credit Specialist

Frederick County Treasury Department

- Location:
 - 30 N. Market Street in downtown Frederick
- 301-600-1111
- treasuryquestions@frederickcountymd.gov
- www.frederickcountymd.gov/treasury
- Hours 8:00 am - 4:00 pm, Monday - Friday
- Drive-up window is available

Frederick County Senior Services Division

- 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
- Location:
 - 1440 Taney Avenue
Frederick, MD 21702
Phone:301-600-1605
- Email: seniorservices@FrederickCountyMD.gov
- Website: www.frederickcountymd.gov

Frederick County Senior Center Locations

- Brunswick Senior Center
12 East A Street, Brunswick, MD 21716
- Emmitsburg Senior Center
300 South Seton Avenue, Emmitsburg, MD 21727
- Frederick Senior Center
1440 Taney Avenue, Frederick, Maryland 21702
- Urbana Senior Center
9020 Amelung Street, Frederick, MD 21704

State Department of Assessments and Taxation

- Location
 - 5310 Spectrum Drive, Suite E (behind FSK Mall)
- 301-815-5350
- www.dat.maryland.gov
- Hours 8:00 am - 5:00 pm, Monday - Friday
- Office is closed to the public but staff is available via phone or email

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
- Net worth, not including home or qualified retirement savings or individual retirement accounts, must be less than \$200,000
- 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
 - We don't believe you need to include COVID stimulus payments
- 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
- Gross income of household increased to \$80,000 or less
- All limitations/requirements of the State credit (except income) apply

Amount of Senior Property Tax Credit

- For a taxpayer with a combined gross household income of \$30,000 or less, the amount of the tax credit is equal to 40% of net County tax
- For a taxpayer with a combined gross household income greater than \$30,000 but not more than \$80,000, the tax credit is equal to 20% of net County tax

Walkersville Senior Tax Credit

- For homeowners located in the Town of Walkersville
- Homeowner must be at least 65 years of age
- Gross income of household must be \$80,000 or less
- Amount of Walkersville tax credit is 50% of the net town tax
- Credit is on the first \$300,000 of assessed value
- Use State's Homeowner Tax Credit application
- All limitations/requirements of the County and State credits apply

Frederick City Senior Tax Credit

- 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
- Amount of Frederick City tax credit is 25% of the net Frederick City tax
- Use State's Homeowner Tax Credit application
- All limitations/requirements of the State credit apply

Filing Deadline

- October 1 for 2022
- If at least 70, the deadline is expanded and can file retroactively for current year plus two prior years
- File by April 15 in order for the credit(s) to appear on the July 1 property tax bill
- Deadline is the same for both the Homeowner Tax Credit and Senior Tax Credit
- You are encouraged to file online

Example - Received Both Tax Credits

- Homeowner is over 65 years old 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

Example - Received Just the Senior Tax Credit

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

Example - Received The State Tax Credit But Not The County Tax Credit

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

Elderly Individual Property Tax Credit

- Credit against the County tax on an individual's residence
- At least 65 years of age
- Have owned and lived in the same dwelling for at least the preceding 40 years
- Must be principal residence where you live at least 6 months of the year
- Combined gross household income cannot exceed \$80,000
- Only available on first \$500,000 of property's net assessed value

Elderly Individual Additional Information

- The credit is equal to 20% of the eligible net County tax
- Due date is April 1 and for the upcoming tax bill
- Length of credit is up to five taxable years as long as homeowner remains qualified
- 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

UPDATED: Uniformed Services Property Tax Credit

- Credit against the County tax on an individual's residence
- 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 with a service-connected disability
- Must own or have a legal interest in the property
- Must be principal residence where you live at least 6 months of the year
- Only available on first \$500,000 of property's net assessed value
- Surviving spouse credit available

Uniformed Services Additional Information

- The credit is equal to 20% of the eligible net County tax
- Due date is April 1 for the upcoming tax bill
- Length of credit is up to five taxable years as long as homeowner remains qualified
- Must attach a copy of the DD214 that shows that separation was due to retirement

NEW Disabled Veteran Tax Credit—Effective July 1, 2022

- ▶ A tax credit against County property taxes levied on the primary residence owned by an eligible disabled veteran
- ▶ A disabled veteran is an individual who:
 - ▶ Is honorably discharged or released under honorable circumstances from active military, naval or air service
 - ▶ Has been declared by the VA to have a permanent service-connected disability of at least 50% that is reasonably certain to continue for the life of the veteran and was not caused by misconduct
 - ▶ If disabled veteran is 100% permanently disabled, there is already a full property tax exemption
- ▶ Disabled veteran's federal AGI for the immediately preceding taxable year does not exceed \$100,000

Disabled Veteran Tax Credit continued

- ▶ The property tax credit shall equal:
 - ▶ 50% of the County property tax imposed if the disability rating is at least 75% but not more than 99% or
 - ▶ 25% of the County property tax imposed if the disability rating is at least 50% but not more than 74%
- ▶ Duration:
 - ▶ Available to a disabled veteran each year that the disabled veteran is eligible
- ▶ Yearly application due by April 1 for the following July 1 tax bill
- ▶ Surviving spouse credit available - 5 year limit

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 for 2022 is October 1
- Encouraged to file online

Homestead Tax Credit

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

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

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)

NEW!

Third Party Notification Program

- New pilot program that will allow 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

NEW!

State Homeowner Assistance Fund

- Helps homeowners experiencing financial hardship after January 21, 2020 due to COVID
- Helps to avoid loss of residence
- Must be a Maryland resident, reside in primary residence, be the homeowner by deed, and be 90 days or more in arrears
- A one-time payment to cover delinquencies (property tax, mortgage, water/sewer fees)
 - ▶ \$20,000 maximum assistance
 - ▶ Grant - no instrument recorded

OR

- A loan at 0% interest to help reduce mortgage payments to affordable levels
 - ▶ \$40,000 maximum loan amount
 - ▶ Recorded lien

More Information

- Through outreach, the Treasury Department and the Senior Services Division are trying to educate seniors on the property tax credits available to them
- Assistance on completing the application is available to seniors
- Applications available from the State Department of Assessments and Taxations, the Senior Services Division, or the Treasury Department
- Suggestions? Email or call the Treasury Department

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the left and right sides of the frame, creating a modern, dynamic feel. The central area is a clean, white space.

Questions?