

## Tax Credits & Exemptions

### Homestead Credit

The Homestead Credit is designed to limit the tax liability for homeowners that experience rapidly rising assessments. Increases to County taxable assessment are limited to 8% and the credit is issued automatically to those that are eligible. The State limits the taxable assessment increase to 10% for their portion of the tax bill. Starting in 2008, the State will require you to apply for the credit. Please visit the State website at [www.dat.state.md.us](http://www.dat.state.md.us) for more information on this or you may contact the local State assessment office at 410-996-2760 or email at [sdat.cec@maryland.gov](mailto:sdat.cec@maryland.gov).

**NOTICE: Homeowners are reminded that they only have until December 31, 2013 to submit a Homestead Application to continue being eligible for this credit. You may check to see if you have already filed an application and/or whether it has been approved by the State by reviewing your property information on the Real Property database. Once you have searched and obtained your property information, the Homestead Eligibility information is located at the bottom of the page.**

You may download and complete the application form and mail it to the State - Homestead Application Form

If you received the Homestead Credit application from the State, then you may complete the application on-line using the access number the State provided on their form. On-line application.

Per the State Assessment Office - If you would like to request a Homestead Application be mailed to you with an ACCESS NUMBER to file electronically, send an e-mail request to [sdat.homestead@maryland.gov](mailto:sdat.homestead@maryland.gov). Be sure to include your address and the County where the property is located.

Questions asked on the Homestead Credit application.

Other information on the Homestead Credit.

### Homeowners' Property Tax Credit

The Homeowner's Tax Credit was created by the State of Maryland in 1975 to provide assistance for the elderly and was previously known as the "circuit breaker" credit. In recent years, it has become available to people of all ages based on certain income requirements.

#### Requirements to qualify:

- Eligibility based on income and net worth
- Considers gross income before deductions
- All income for all members of the household is included
- Income from all sources including Social Security, pensions, etc. is included
- Must provide copy of federal tax return, Social Security statement, etc.
- Must own or have legal interest in the property
- Dwelling must be the principal residence where you live at least 6 months of the year, unless you are unable due to health reasons or if you are a new home purchaser
- Net worth (excluding principal residence and certain retirement savings) must be less than \$200,000.
- Sliding scale based on income
- Scale sets maximum amount of property tax for that income level
- Credit is the difference between the actual tax bill and maximum tax per scale

Household income \$10,000; tax limit \$80

Household income \$20,000; tax limit \$780

Household income \$30,000; tax limit \$1680

After household income of \$30,000, tax limit increases \$90 per each \$1000 of income

#### Other Limitations:

- Only taxes from the first \$300,000 of assessed value are eligible

- Only applies to property tax of state, county and town
- Not applicable against benefit assessments or utility bills
- Only applied to the lot where dwelling is situated; not to large tracts of land.
- If property is also used for business, only the residential portion is eligible

**How to apply:**

- Apply annually to State Department of Assessments and Taxation
- Must obtain the first application from the Assessment Office or the Cecil County Finance Office
- Once you have been approved, you will receive an application through the mail annually thereafter
- File by May 1 of each tax year to have credit shown on tax bill
- Approved credits for applications received after May 1 will be refunded by the Cecil County Finance Office

Click here to download the State of Maryland 2014 Homeowners' Property Tax Credit Application

Once you apply, you will receive a response from the State whether you are approved or not. If you are not approved, you will have the opportunity to appeal. All information is kept confidential. Additional questions should be directed to the State Department of Assessments and Taxation (800-944-7403) or email at [sdat.cec@maryland.gov](mailto:sdat.cec@maryland.gov) . Office hours are 8 AM to 4:30 PM daily.

**Blind Persons Exemption**

Those persons with a central visual acuity of 20/200 or less in the better eye may receive, with a doctor's certification, an exemption of \$15,000 of assessment reduction on the dwelling house and surrounding yard. Legally blind persons may apply at any time and need not meet the general September 1 filing deadline. See the State website form.

**Surviving Spouse of Blind Persons Exemption**

Surviving spouses of those persons who qualified for the Blind Persons Exemption referenced above may receive an exemption of \$15,000 of assessment reduction on the dwelling house and surrounding yard. See the State website form.

**Surviving Spouse of Law Enforcement Officer**

This is a Cecil County credit on the County tax portion of the property taxes for a dwelling house owned by a surviving spouse of an individual who died as a result of an injury or disease incurred during the course of employment as a law enforcement officer under certain circumstances. Please contact our office for instructions to apply. See Cecil County Code.

**Disabled Veterans Exemption**

Armed Services veterans with a permanent service connected disability rated 100% by the Veterans Administration may receive a complete exemption from real property taxes on the dwelling house and surrounding yard. These veterans also may apply at any time and do not have to meet the September 1 filing deadline. See the State website form.

**Disabled Veterans Surviving Spouses Exemption**

Unremarried surviving spouses of those who qualified for the Disabled Veterans Exemption may receive a complete exemption from real property taxes on the dwelling house and surrounding yard. See the State website form.

**Surviving Spouses of Active Military Personnel who Died in the Line of Duty Exemption**

Surviving spouses of military personnel killed in the line of duty may apply for an exemption. See the State website form.

**Elderly / Disabled Tax Deferral**

This program allows property owners, age 65 or older, to elect to defer the increase in their property tax bill. The deferral is only calculated on

the County property taxes, not the state or town portions of the property taxes. The deferral amount is the amount that this year's County taxes exceed the amount paid in the previous year's County taxes. The deferral is not a permanent reduction in taxes. You must apply for the Deferral every year. The application must be received by September 1 of each year.

Also, the deferral is only postponing payment of a portion of your taxes. The taxes deferred must be repaid if you cease to occupy the property as your principal residence, you cease to own the property, you do not pay the base amount of taxes and the property becomes subject to Tax Sale, if you fail to reapply each year in a timely manner, or if your income increases beyond \$60,000. In the event of the property owner's death, the taxes would have to be repaid by your estate or other co-owners of the property.

To be eligible for a Deferral the residential property owner must have resided in the property at least 5 years, most current year's gross household income not exceeding \$60,000.00 and be qualified under one of the following criteria:

- a. Is at least 65 years of age
- b. Is permanently disabled and qualifies for benefits under either:
  - 1. Social Security Act
  - 2. Railroad Retirement Act
  - 3. Any federal act for members of the United States Armed forces
  - 4. Any federal retirement system
- c. Is certified to be permanently and totally disabled by a County Health Officer

The Deferral agreement will be recorded in land records of Cecil County as a lien against the property and property owner must pay any fees associated with recording the lien.

Tax Deferral Program  
Questions and Answers  
Application (.pdf)

### **Right to Appeal the Assessment Valuation**

Properties are reassessed by the State of Maryland once every three years and property owners are notified of any change in their assessment. Assessments are certified by the Department to local governments where they are converted into property tax bills by applying the appropriate property tax rates.

Every property owner has the right to appeal the notice of assessment of his or her property within 45 days of the date of the notice.

Regular reassessment notices are issued once every three years and usually mailed in late December. In addition to the regular reassessment notice, the law requires a notice be issued when the assessment on a property changes for the following reasons: a change in use or character of the property; substantial improvement to the property; or rezoning of the property.

The reassessment notice contains an appeal form which must be completed and filed with the local assessment office within the 45 day time limit for appeal. When considering an appeal, the property owner should focus on one figure - the Total New Market Value. See the State website for information.

### **Petition for Review of Real Property**

A property owner may file a petition with the State of Maryland Supervisor of Assessments no later than the first work day following January 1 to review a value or classification effective for the next taxable year beginning July 1. Your petition should state the reason you feel the value or classification is incorrect. You have the right for a hearing or for the petition to be considered based on the documentation you supply. After the Petition for Review has been considered, you will be sent a notice informing you of the decision. See the State website form.

### **Assessment Exemption for an Improvement Required for the Health or Medical Condition of a Resident**

An improvement to a building required for the health or medical condition of the resident of the building may be assessed for tax purposes. The exemption may not exceed 10% of the total assessment of the real property on which the building is located. See the State website form.

### **Historic Property Tax Credit**

A property tax credit of up to 10% of the properly documented expenses of a private owner-taxpayer for the restoration and preservation of a structure that Cecil County determines has historical value may be granted against the County property tax imposed. Cecil County Code.

### **Brownsfield Property Tax Credit**

Pursuant to the authorization contained in § 9-229 of the Tax-Property Article of the Annotated Code of Maryland, Cecil County hereby elects to participate in the Brownsfields Revitalization Incentive Program established pursuant to § 5-335 et seq. of the Economic Development Article of the Annotated Code of Maryland and to provide a brownfields property tax credit commencing with the taxable year beginning July 1, 2002. Cecil County Code.

### **Habitat For Humanity Cecil County Tax Credit**

Requirements for a County Real Property Tax Credit in accordance with the provisions of the Tax-Property Article, § 9-252, of the Annotated Code of Maryland:

A. (1) The property is owned by Habitat for Humanity with the intention of relinquishing ownership in the near future;

(2) The property is used for the purposes of development, rehabilitation and transfer to a private owner; and

(3) The property is not occupied by administrative or warehouse buildings owned by Habitat for Humanity.

B. Habitat for Humanity shall submit an annual written report on or before June 30 each year to the County Executive and Cecil County Council documenting:

(1) All of Habitat for Humanity's real property holdings in the County; and

(2) All transactions involving Habitat for Humanity's real property holdings in Cecil County.

C. The tax credit for each property shall continue until such time as the property is transferred from Habitat for Humanity to another entity, but in no event for more than five years.

Cecil County Real Property Tax Credit Application – Habitat for Humanity

### **Other Tax Credits and/or Exemptions**

State Tax Credits and/or Exemptions