

MARYLAND 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. [View a listing of homestead caps for each local government.](#)

Technically, the Homestead Credit does not limit the market value of the property as determined by the Department of Assessments and Taxation. Instead, it is actually a credit calculated on any assessment increase exceeding 10% (or the lower cap enacted by the local governments) from one year to the next. The credit is calculated based on the 10% limit for purposes of the State property tax, and 10% or less (as determined by local governments) for purposes of local taxation. In other words, the homeowner pays no property tax on the market value increase which is above the limit.

Example

Assume that your old assessment was \$100,000 and that your new phased-in assessment for the 1st year is \$120,000. An increase of 10% would result in an assessment of \$110,000. The difference between \$120,000 and \$110,000 is \$10,000. The tax credit would apply to the taxes due on the \$10,000. If the tax rate was \$1.04 per \$100 of assessed value, the tax credit would be \$104 ($\$10,000 \div 100 \times \1.04).

Application Requirement

To prevent improper granting of this credit on rented or multiple properties of a single owner, a law was enacted in 2007 that requires all homeowners to **submit a one-time application** to establish eligibility for the credit. [View a list of commonly asked questions on the Homestead Application.](#)

Find the status of your Homestead eligibility by looking up your property on the [Real Property database](#).

Conditions

The tax credit will be granted if the following conditions are met during the previous tax year:

- The property was not transferred to new ownership.
- There was no change in the zoning classification requested by the homeowner resulting in an increase value of the property.
- A substantial change did not occur in the use of the property.
- The previous assessment was not clearly erroneous.

A further condition is that the dwelling must be the owner's principal residence and the owner must have lived in it for at least six months of the year, including July 1 of the year for which the credit is applicable, unless the owner was temporarily unable to do so by reason of illness or need of special care. An owner can receive a credit only on one property--the principal residence.

Razed Dwelling and Vacated Dwelling for Making Substantial Improvements

Property owners who choose to vacate their principal residence to raze the dwelling in order to replace it with a new home on the subject property or to make substantial improvements to the property can continue to receive Homestead Tax Credit eligibility provided two conditions are met. First, the homeowner(s) must have owned and occupied the property as a principal residence for at least 3 full tax years immediately preceding the razing or the commencement of the substantial improvements. Second, the building of the replacement home or making the substantial improvements must be completed within the next succeeding tax year after the tax year in which the razing or the substantial improvements were commenced.

Appeal Rights

If you have been denied a Homestead Tax Credit and you believe that you are eligible, contact the Central Office for the Homestead Tax Credit Program at the telephone numbers listed below. A final denial of a Homestead Tax Credit by the Central Office may be appealed within 30 days to the Property Tax Assessment Appeal Board in the jurisdiction where the property is located.

Further Information

For questions about the Homestead Tax Credit, you may telephone 410-767-2165 in the Baltimore metropolitan area or at 1-866-650-8783 toll free elsewhere in Maryland or email the Homestead unit at sdat.homestead@maryland.gov.

COUNTY AND MUNICIPAL HOMESTEAD CREDIT PERCENTAGES

Effective July 1, 2014

****Because of assessment increases and because of the low assessment caps adopted by the county governments, many homeowners in the State have been receiving substantial homestead credits each year on their property tax bills ****

SUBDIVISION	PERCENTAGE LIMIT	DATE OF ACTION	RECEIVED BY DEPARTMENT
Allegany	107	9/11/2008	10/27/2008
Cumberland	107	9/30/2008	11/10/2008
Frostburg	106	9/18/2008	11/10/2008
Anne Arundel	102	10/25/2002	11/1/2002
Annapolis	110	12/10/1990	12/20/1990
Baltimore City	104	12/15/1992	12/23/1992
Baltimore	104	9/7/1993	9/13/1993
Calvert	110	10/19/1993	10/28/1993
Chesapeake Beach	110	12/20/1990	12/31/1990
Caroline	105	10/3/2006	10/6/2006
Denton	105	11/13/2006	12/5/2006
Federalsburg	110	11/6/2006	11/9/2006
Goldsboro	110	8/9/1993	8/12/1993

Greensboro	110	12/6/1990	12/10/1990
Marydel	110	12/4/1990	12/11/1990
Preston	110	12/5/1990	12/7/1990
Ridgely	105	9/13/1993	10/6/1993
Carroll	105	8/5/2010	8/13/2010
Hampstead	107	10/26/2004	11/10/2004
Mt. Airy	100	10/7/2013	10/24/2013
Sykesville	110	12/10/1990	1/7/1991
Taneytown	110	12/10/1990	6/10/1991
Westminster	107	11/14/2005	11/15/2005
Cecil	108	11/3/2005	11/1/2005
Cecilton	108	11/9/2005	11/23/2005
Charlestown	108	11/14/2006	11/16/2006
Chesapeake City	108	11/14/2005	11/23/2005
Elkton	108	11/19/2008	11/21/2008
North East	108	11/7/2005	11/23/2005
Perryville	110	5/7/2013	5/10/2013
Port Deposit	110	11/1/2005	11/18/2005
Charles	107	9/26/2006	11/1/2006
Indian Head	110	1/4/1993	1/20/1993
La Plata	107	11/24/2009	11/25/2009
Dorchester	105	9/27/2005	10/31/2005
Hurlock	110	12/17/1990	1/30/1991
Frederick	105	6/23/2005	7/5/2005

Brunswick	105	10/11/2005	2/19/2008
Frederick City	105	11/24/2004	11/24/2004
Mt. Airy	100	10/7/2013	10/24/2013
Walkersville	110	10/14/1992	10/19/1992
Garrett	105	10/31/2000	11/2/2000
Grantsville	110	12/17/1990	12/27/1990
Loch Lynn Heights	110	12/20/1990	1/10/1991
Harford	105	9/14/2009	7/22/2009
Aberdeen	110	12/10/1990	12/20/1990
Bel Air	110	12/17/1990	1/4/1991
Havre de Grace	105	11/4/2009	11/4/2009
Howard	105	12/8/1992	12/24/1992
Kent	105	11/2/1993	11/5/1993
Betterton	110	11/13/1990	12/10/1990
Chestertown	105	11/6/2006	11/13/2006
Galena	110	12/3/1990	12/17/1990
Millington	110	12/11/1990	1/3/1991
Rock Hall	110	12/6/1990	1/2/1991
Montgomery	110	12/1/1992	12/10/1992
Kensington	105	11/7/2005	11/10/2005
Rockville	110	11/26/1990	12/3/1990
Somerset	110	12/3/1990	12/17/1990
Takoma Park	110	10/22/1990	10/26/1990
Town of Chevy Chase	110	12/12/1990	12/17/1990

Prince George's	102	11/1/2013	11/6/2013
Berwyn Heights	110	11/15/1990	11/21/1990
Bladensburg	110	1/11/1993	1/12/1993
Bowie	105	6/7/2004	10/21/2004
Cheverly	110	1/28/1993	2/12/1993
College Park	104	10/9/2007	10/23/2009
Colmar Manor	105	1/6/1993	1/13/1993
Cottage City	110	9/8/1993	11/23/1993
District Heights	110	1/12/1993	1/21/1993
Forest Heights	108	10/17/2012	10/23/2012
Greenbelt	110	9/29/2003	11/21/2003
Hyattsville	110	1/19/1993	1/25/1993
Laurel	110	11/25/1991	12/9/1991
Morningside	110	12/10/1992	1/7/1993
Mount Rainier	110	11/15/1994	11/17/1994
New Carrollton	110	1/20/1993	1/25/1993
North Brentwood	110	12/17/1990	1/29/1991
Riverdale Park	110	12/7/1992	12/14/1992
University Park	110	1/21/1991	1/4/1993
Upper Marlboro	100	11/9/1993	11/17/1993
Queen Anne's	105	11/2/2012	11/9/2012
Centreville	110	12/20/1990	1/3/1991
Millington	110	12/11/1990	1/3/1991
St. Mary's	105	11/10/1998	11/16/1998

Leonardtown	110	11/8/1993	11/10/1993
Somerset	110	10/7/1992	10/9/1992
Talbot	100	10/13/1998	10/19/1998
Easton	110	1/4/1993	1/22/1993
Oxford	105	12/8/1992	12/21/1992
Washington	105	4/4/2006	4/5/2006
Hagerstown	105	10/24/2006	11/22/2006
Smithsburg	105	9/5/2006	9/15/2006
Wicomico	105	6/7/2011	11/15/2011
Fruitland	110	11/9/2011	11/17/2011
Salisbury	100	7/26/1993	8/2/1993
Worcester	103	11/15/2005	11/15/2005
Berlin	105	10/11/2005	10/17/2005
Pocomoke City	110	11/3/2003	11/12/2003