

"Federation Corner" column
The Montgomery Sentinel - December 12, 2013

Don't miss out on Homestead Tax Credit

by Louis Wilen
MCCF Public Utilities Chair

Thousands of Maryland homeowners stand to lose out on valuable property tax credits next year because they have not completed the "Homestead Credit Eligibility Application" that has a final deadline of December 30, 2013.

The credits, officially called the "homestead credit" and "offset credit", are available to every homeowner who uses his or her home as their principal residence. After discovering that these credits were being erroneously applied to thousands of properties, the Maryland legislature passed a law in 2007 requiring property owners who use their home as their principal residence to submit a one-time application certifying that their home is really their principal residence. Every homeowner received at least two notices about the application requirement (along with copies of application forms) from the State Department of Assessments and Taxation over the past six years, but some homeowners still have not submitted the forms.

There are no income requirements or age requirements to qualify for the homestead credit or the offset credit. If you own your home and it is your principal residence (not a rental property or a vacation home), then you are eligible for the credits, but you **MUST** complete the one-time application to continue receiving the credits. If you own multiple homes in Maryland, you can claim only one of them as your principal residence.

The amount of the homestead credit varies each year, and depends mainly on how much your property has appreciated in the most recent assessment. With property values increasing again, the homestead credit could be anywhere from \$0 to thousands of dollars.

The amount of the offset credit is the same for all principal residences, and has been set to \$692 by the County Council for the past several years. By completing the "Homestead Credit Eligibility Application" (and satisfying the principal residence requirements), you will also qualify for the offset credit.

If you filled it out the application already (perhaps several years ago), there is no need to fill it out again. To check the status of your Homestead Credit Verification Application, go to <http://sdat.resiusa.org/RealProperty/Pages/default.aspx>. Select your county, then select "Street Address". Enter your address (without any suffix, such as DR, RD, CT, etc.). Then scroll to the bottom of the screen to see the status.

If the status is "Approved", then you completed the form already and no further action is needed. If the status is "Application Received", then your application has been received but there might be problem with it, so you should call the homestead hotline at 1-866-650-8783 to sort out any problems.

If the status is "No Application", then you should complete the application and submit it immediately. It takes less than five minutes to complete. See the left column of the following web page for information about how to obtain and complete the application: <http://www.dat.state.md.us> Do not confuse the HOMESTEAD credit with the HOMEOWNERS credit. The HOMEOWNERS credit does have income limits and requires submission of an application each year.

One other point: making a false claim of principal residence status will subject the property owner to a 25 percent property tax penalty and other possible penalties.

If you have friends or relatives who tend to overlook these types of things, you might share this information with them. They will be grateful that you saved them hundreds or even thousands of dollars on their property tax bill next year and in future years.

NOTE: the Second Annual Budgetpalooza will be held Wednesday, February 5, 2014, from 7 to 9 p.m., in the Rockville Memorial Library located at 21 Maryland Avenue in Rockville. The Montgomery County Civic Federation, the Montgomery County Taxpayers League, and the Parents' Coalition are teaming up for the Budgetpalooza. Just as took place at last year's event, volunteer event participants will present the details of the Montgomery County Public Schools proposed FY15 Operating Budget, chapter by chapter. Circle February 5 on those new 2014 calendars you get as holiday gifts, so you'll remember to attend the Second Annual Budgetpalooza. It's free!

Event coordinators are looking for volunteers to analyze and present chapters of the FY15 MCPS Operating Budget. Sign up online as a volunteer at:
www.signupgenius.com/go/10C094CADAC28A3FB6-budgetpalooza

The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to the montgomerycivic@yahoo.com