

The Homestead Property Tax Credit, commonly referred to as the Assessment Cap, is a program for homeowners who qualify that limits the taxation of large annual assessment increases on a property owner's principal residence. For State tax purposes any annual assessment increase for a home or homesite that is greater than 10% is not taxed. Counties and municipalities may limit assessment increases for local tax purposes to less than 10% annually.

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).

This program is administered by the State Department of Assessments and Taxation (SDAT) and applied only to owner-occupied residential dwellings. Note: this credit is not applicable in the first year following the purchase of a new home.

The State of Maryland, Montgomery County, and municipalities in Montgomery County (with the exception of the Town of Kensington which elected 5% effective LY 2006) use a 10% homestead credit which results in any annual assessment growth in excess of 10% to become a credit. For example, if the annual phase-in of assessment growth is 25%, the homestead credit will reflect 15% while the remaining 10% is reflected in taxable assessment growth that year. In addition to limiting annual growth in taxable assessment for homeowners, the homestead credit spreads out the assessment growth over a longer period of time resulting in a stable revenue flow. Since the cumulative credit can be significant, some taxpayers may still observe growth in taxable assessment during times of weak real estate market conditions as prior year growth is still being phased in.

NOTE: This application can also be filed online at: <https://sdathtc.dat.maryland.gov/>

Maryland State Department of Assessments & Taxation
APPLICATION FOR HOMESTEAD TAX CREDIT ELIGIBILITY

- The Homestead Tax Credit law limits the amount of assessment increase on which eligible resident homeowners actually pay county, municipal, and State property taxes each year. **This credit can have a significant impact on your real estate taxes regardless of your property's value or your income level. If the property is used as your principal residence, you are strongly encouraged to complete this application.**
- The reason why this application is required is to verify that the property owners only receive the benefit of this credit on their **one principal residence**. It also insures that other homeowners entitled to the credit but not receiving it can also start to receive this benefit.
- A married couple may only have one principal residence under the provisions of this law. A homeowner who submits an application that is inconsistent with income tax and motor vehicle records of the State shall be required to later submit additional verification in order to be considered for the credit.
- If you have a specific question concerning the application, you may telephone 410-767-2165 in the Baltimore metropolitan area or on 1-866-650-8783 toll free elsewhere in Maryland. Or email the division at sdat.homestead@maryland.gov.
- This application can be filled out on your pc; if hand written please print legibly. Please use black or blue ink only.

Section I

Before filing this form, please [check the Real Property database](#) to see if you may have previously filed and been approved for the Homestead Tax Credit, if so there is no need to reapply. The Homestead Credit Eligibility stays in place as long as the dwelling remains your primary residence.

Enter the SDAT Real Property Tax Identification Number of the property for which Homestead Eligibility is requested.

You must fill-in the property identification number in order to submit this application. The identification number is composed of the two digit county code where the property is located, followed by an account number. This information can be obtained from an assessment notice or by searching the Department's online Real Property database. When using this form the account number displayed must be preceded by the appropriate two digit county code listed below. If you do not have the identification number [click here to search the Real Property database](#).

Allegany - 01	Calvert - 05	Charles - 09	Harford - 13	Prince George's - 17	Talbot - 21
Anne Arundel - 02	Caroline - 06	Dorchester - 10	Howard - 14	Queen Anne's - 18	Washington - 22
Baltimore City - 03	Carroll - 07	Frederick - 11	Kent - 15	St. Mary's - 19	Wicomico - 23
Baltimore Co. - 04	Cecil - 08	Garrett - 12	Montgomery - 16	Somerset - 20	Worcester - 24

County Code (From above)

(Identification Number)

County Code 03	Ward	Section	Block	Lot
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(For Baltimore City only)

Address of the Property for which Application is being made:

Street Address

MD

City

Zip code

Maryland State Department of Assessments & Taxation
APPLICATION HOMESTEAD TAX CREDIT ELIGIBILITY

Section II

YOU MUST ANSWER ALL QUESTIONS AND INCLUDE THE SOCIAL SECURITY NUMBER OF ALL HOMEOWNER(S) AND SPOUSES' (EVEN IF THEY ARE NOT LISTED AS AN OWNER ON THE DEED). A homeowner is defined as any living person listed on the deed.

1. Is the real property shown on this letter currently used, and expected to be used in the next calendar year as the single principal residence of the homeowner(s)? Yes No

2. Is this real property address the location where the homeowner(s) expect to file their next federal and Maryland income tax return if one is filed? Yes No Not applicable (Not Filing)

3. Is this real property address the location from which the homeowner(s) have received a MD issued driver's license or identification card, if applicable?
 Yes No Not applicable (No License or Identification Card)

4. Is this real property address the location from which the homeowner(s) are registered to vote, if registered?
 Yes No Not applicable (Not Registered)

5. Is any portion of the principal residence rented? Yes No

All owners must complete the section below. If there are more than four (4) owners attach a separate sheet listing the additional names and Social Security numbers before mailing. Spouses' are included even if they are not an owner.

Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number
Printed Name of Spouse or 2nd Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number
Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number
Printed Name of Homeowner (First Name, Middle Initial, Last, Suffix)	Social Security Number

In submitting this application I hereby declare under the penalties of perjury, pursuant to Tax-Property Article, 1-201, Annotated Code of Maryland, that the application has been examined by me and the information contained herein, to the best of my knowledge and belief is true, correct and complete and that this property is my principal residence for the prescribed period. **I understand that the Department may independently verify the above information by contacting, including but not limited to, the Internal Revenue Service, the Maryland Comptroller's Office and the Motor Vehicle Administration.**

Homeowner's Signature	Spouse or Co-Owner's Signature	Date
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Telephone Number (Daytime)

**Mail completed application to:
Department of Assessments and Taxation
Homestead Tax Credit Division
301 West Preston Street, 8th Floor
Baltimore MD 21201**

PENALTIES FOR PERJURY
A person who willfully or with intent to evade payment of a tax under this Article provides false information or a false answer to a property tax interrogatory/ application is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 18 months or both. Tax- Property Article, § 14-1004. For example, it is willful intent for a homeowner to indicate a property is his or her principal residence when the property is used for another purpose, such as a rental or a vacation home.
PRIVACY AND STATE DATA SECURITY NOTICE
The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Failure to provide this information will result in a denial of your application. Some of the information requested would be considered a "Personal Record" as defined in State Government Article, § 10-624. Consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, it is unlawful for any officer or employee of the state or any political subdivision to divulge any income particulars set forth in the application or any tax return filed except in accordance with a judicial or legislative order. However, this information is available to officers of the state, county or municipality in their official capacity and to taxing officials of any other state, or the federal government, as provided by statute.