



MARYLAND MILITARY COALITION

Serving Veterans through Legislative Advocacy

January 23, 2024

The Honorable Andrew Friedson, President
Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

Subject: **Request for FAVORABLE Report With Amendment** – 45-23 – Income Tax –
Caregiver Tax Credit

Dear President Friedson and members of the Montgomery County Council:

On behalf of the members of the Maryland Military Coalition (MMC) and as its Communication Director, and as the Legislative Director for the Maryland Military Officers Association of America Council of Chapters, a member of the MMC, I write to recommend a **FAVORABLE report with amendments** by the Montgomery County Council on 45-23 **Property Tax Credit - Individuals 65 and Above, Retired Military Service Members, and Disabled Military Service Members**. This bill will modify the existing property tax exemption in several ways. The bills intention is to allow targeted individuals to age in place in their homes, by reducing the cost of their property tax. The bill:

- Decreases the number of years that a person over the age of 65 must reside in the home from 40 to 25 years;
- Increases the threshold of assessed value of the home from the current value of \$700,000 for a senior citizen and \$550,000 for a uniformed service retiree to the “qualifying amount”, that upon implementation is set at \$899,900—a figure that will be adjusted according to the Consumer Price index or 5%, whichever is less;
- Includes a surviving spouse who is \geq 65 years old and not remarried;
- Adds disabled Active Duty, retired or honorably discharged member of the Uniformed Services, reserves or national guard and has a service-connected disability OR a surviving spouse that has not remarried; and
- Imposes an income threshold to receive the exemption. The threshold applies to all income for those would benefit from the exemption (e.g. for a single person or the couple if the home was deeded to both)
 - <\$90,000 for a 20% exemption
 - <\$75,000 for a 35% exemption
 - <\$50,000 for a 50% exemption

- Any individual currently receiving a property tax exemption would be grandfathered, should 45-23 be passed.

However, 45-23 ignores enabling legislation passed in 2020 by the Maryland General Assembly that addressed property tax exemptions for severely disabled veterans. HB 257, co-sponsored by Montgomery County Delegate Anne Kaiser, passed and was promulgated into **Maryland Code, Tax-Prop. §9-265 – Tax credit for disabled veterans**ⁱ. This code allows for a property tax exemption of 25% for disabled veterans who have a disability rating of 50% but not more than 74%; and a 50% exemption for a veteran with a disability of 75 – 99% by law, if adopted by the governing body of a county or municipal corporation. ***Bill 45-23 does not comport with this portion of the tax code.***

As background:

- Montgomery County is home to 39,297ⁱⁱ veterans of which 9,524ⁱⁱⁱ, almost one-third, have a disability rating.
- Currently there are 1,602 Montgomery County veterans who are rated at 100% and are entitled to claim a full exemption from their property taxes.
- The Veterans Administration, in their most recent report of disability ratings by county identified 1,418 veterans with a 50-60% rating and another 2,521 veterans with a 70-90% rating.
- Bill 45-23 currently does NOT have a percent of disability threshold. As written, all 9,524 veterans would be entitled to take the exemption if they met both the assessed value qualifying amount AND the income threshold. However, if the service member and spouse were listed on the deed to the home, then the income threshold would apply to the total income of ALL parties on the deed, or everyone who received the benefit.

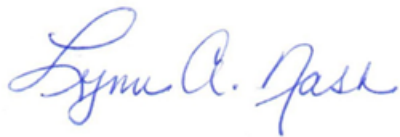
The Maryland Military Coalition asks that **45-23 be amended** to comport with **Maryland Code, Tax-Prop §9-265 – Tax credit for disabled veterans**, by replacing the language within (c) (4) A and B (lines 51-56) with the language, including the percentages from the code. We also note that the County's proposed income thresholds unfairly penalize seriously disabled retired service members who in many cases have enormous health, quality of life and mobility issues.

The Maryland Military Coalition **strongly supports 45-23** and asks for a ***FAVORABLE report with amendment*** from the Council. Establishing a property tax credit for severely disabled veterans is a goal of the Coalition. We support actions that allow veterans to age in place, by reducing the financial burden to do so. Bill 45-23 enhances the Moore Administration's Year of the Military Families and is in keeping with the Governor's mantra: "Leave No One Behind"

The Maryland Military Coalition is a non-partisan organization of 21 Veteran organizations representing over 150,000 Maryland uniformed services men and women and their families -- almost half of the 355,000 veterans in the State.

We want to thank Council President for sponsoring this legislation enabling elderly and the disabled to age in place and his strong, support of the uniformed services community in Montgomery County, Maryland.

Respectfully,

A handwritten signature in blue ink that reads "Lynn A. Nash". The signature is written in a cursive, flowing style.

Lynn A. Nash, PhD, RN, PHCNS-BC, FAAN
CAPTAIN (Ret.), U.S. Public Health Service
Communications Director

Attachments:

1. Maryland Tax Code §9-265
2. Montgomery County statistics – number of veterans
3. Montgomery County statistics – number of veterans by disability rating
4. Maryland Defense Demographics

ⁱ [Maryland Tax Code §9-265](#)

ⁱⁱ State Demographic Data, Race/Ethnicity and Gender 2020. Purdue University, Military Family Research Institute. www.measuringcommunities.org

ⁱⁱⁱ [FY 2019 VA Disability Compensation Recipients by County](#). Source: Department of Veterans Affairs, Office of Enterprise Integration, United States Veterans Eligibility Trends & Statistics (USVETS) 2019

Md. Code, Tax-Prop. § 9-265

Section 9-265 - Tax credit for disabled veterans

(a)

(1) In this section the following words have the meanings indicated.

(2) "Disabled veteran" means an individual who:

(i) is honorably discharged or released under honorable circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101; and

(ii) has been declared by the Veterans Administration to have a permanent service-connected disability of at least 50% that results from blindness or any other disabling cause that:

- 1.** is reasonably certain to continue for the life of the veteran; and
- 2.** was not caused or incurred by misconduct of the veteran.

(3) "Dwelling house":

(i) means real property that is:

- 1.** the legal residence of a disabled veteran; and
- 2.** occupied by not more than two families; and

(ii) includes the lot or curtilage and structures necessary to use the real property as a residence.

(b) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may grant, by law, a property tax credit under this section against the county or municipal corporation property tax imposed on a dwelling house if:

(1) the dwelling house is owned by a disabled veteran;

(2) the disabled veteran's federal adjusted gross income for the immediately preceding taxable year does not exceed \$100,000; and

(3) the application requirements of subsection (d) of this section are met.

(c) The property tax credit granted under this section shall equal:

(1) 50% of the county or municipal corporation property tax imposed on the dwelling house if the disabled veteran's service-connected disability rating is at least 75% but not more than 99%; or

(2) 25% of the county or municipal corporation property tax imposed on the dwelling house if the disabled veteran's service-connected disability rating is at least 50% but not more than 74%.

(d)

(1) A disabled veteran shall apply for the property tax credit under this section by providing to the county or municipal corporation:

(i) a copy of the disabled veteran's discharge certificate from active military, naval, or air service; and

(ii) on the form provided by the county or municipal corporation, a certification of the disabled veteran's disability from the Veterans Administration.

(2) The disabled veteran's certificate of disability may not be inspected by individuals other than:

(i) the disabled veteran; or

(ii) appropriate employees of the county or municipal corporation.

(e) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may, by law, continue to provide the property tax credit under this section to the surviving spouse of the disabled veteran.

(f) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may provide, by law, for:

(1) the duration of the tax credit;

(2) regulations and procedures for the application and uniform processing of requests for the tax credit;

(3) the definition of surviving spouse and the amount and duration of the tax credit for the surviving spouse; and

(4) any other provision necessary to carry out the tax credit under this section.

Md. Code, TP § 9-265

Added by 2020 Md. Laws, Ch. 630, Sec. 1, eff. 6/1/2020.

Added by 2020 Md. Laws, Ch. 629, Sec. 1, eff. 6/1/2020.

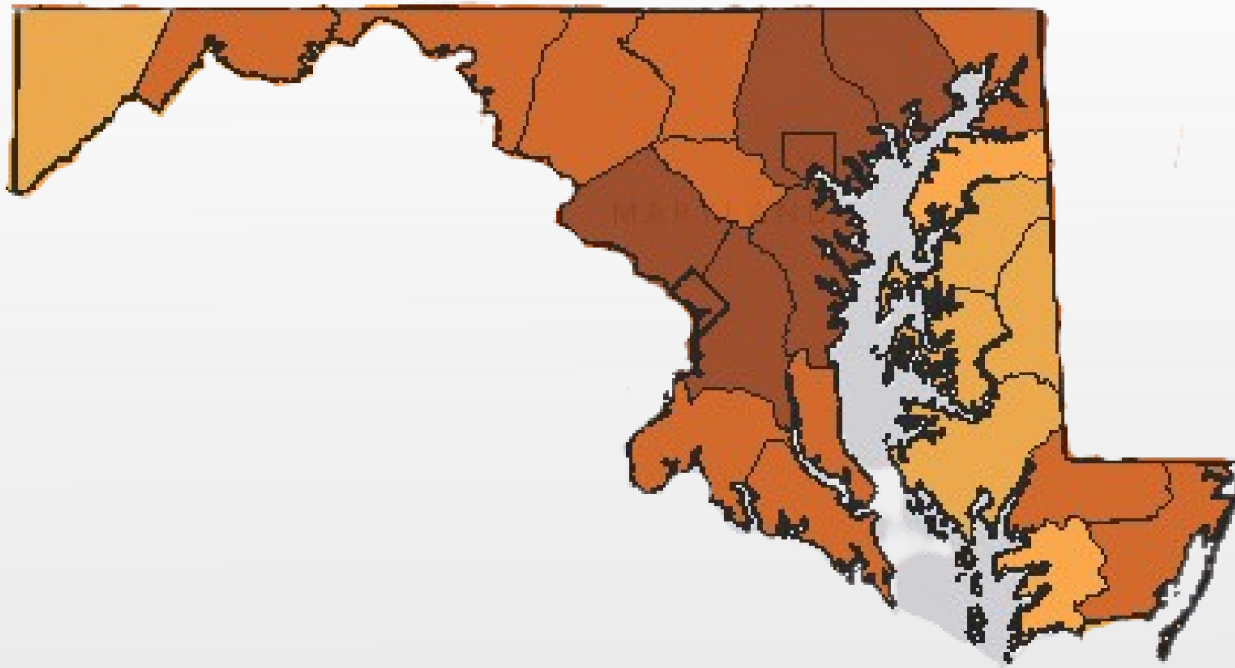
COUNTY DATA

MOST POPULOUS VETERAN COUNTIES IN MARYLAND

VETERAN POPULATION

1. **Prince George's** (52,203 veterans)
2. **Anne Arundel** (49,765 veterans)
3. **Baltimore** (42,264 veterans)
4. **Montgomery** (39,297 veterans)
5. **Baltimore City** (26,339 veterans)
6. **Harford** (19,179 veterans)
7. **Howard** (16,815 veterans)
8. **Frederick** (16,403 veterans)
9. **Charles** (15,384 veterans)
10. **St. Mary's** (10,723 veterans)

Maryland



FY 2019 VA Disability Compensation Recipients by County

Source: Department of Veterans Affairs, Office of Enterprise Integration, United States Veterans Eligibility Trends & Statistics (USVETS) 2019

Prepared by National Center for Veterans Analysis & Statistics, January 2021, www.va.gov/vetdata

****Small cell counts have been suppressed to protect the identity of Veterans. Some categories may not sum to the total due to missing information (e.g., age, gender etc).**

FIPS code	State	County Name	Total Disability Compensation	Service-connected Disability Rating					Age			Sex	
				0-20%	30-40%	50-60%	70-90%	100%	17-44	45-64	65 or older	Male	Female
24001	Maryland	Allegany	958	269	162	136	222	169	196	282	480	887	71
24003	Maryland	Anne Arundel	13,341	2,998	2,265	2,153	3,808	2,117	4,427	5,749	3,163	10,580	2,761
24005	Maryland	Baltimore	8,495	2,219	1,487	1,270	2,019	1,500	2,062	3,110	3,322	7,313	1,182
24009	Maryland	Calvert	1,950	496	339	319	547	249	591	873	486	1,657	293
24011	Maryland	Caroline	368	101	55	62	95	55	100	119	149	323	45
24013	Maryland	Carroll	1,832	558	339	284	432	219	520	629	683	1,615	217
24015	Maryland	Cecil	1,629	400	255	210	451	313	377	654	598	1,436	193
24017	Maryland	Charles	5,164	1,078	833	819	1,556	878	1,447	2,736	981	3,879	1,285
24019	Maryland	Dorchester	431	106	82	65	109	69	75	142	214	389	42
24021	Maryland	Frederick	3,934	1,022	690	606	1,043	573	1,210	1,525	1,199	3,329	605
24023	Maryland	Garrett	428	94	81	68	91	94	70	124	234	401	27
24025	Maryland	Harford	5,062	1,142	820	747	1,447	906	1,205	2,383	1,474	4,337	725
24027	Maryland	Howard	3,981	968	737	664	1,004	608	1,350	1,637	994	3,168	813
24029	Maryland	Kent	220	70	36	20	51	43	37	74	109	200	20
24031	Maryland	Montgomery	9,524	2,412	1,571	1,418	2,521	1,602	2,997	3,564	2,963	7,689	1,835
24033	Maryland	Prince Georges	16,932	3,799	2,636	2,559	4,815	3,123	4,083	7,557	5,292	13,444	3,488
24035	Maryland	Queen Annes	571	153	93	99	141	85	156	209	206	514	57
24037	Maryland	Saint Marys	3,908	1,029	710	705	1,033	431	1,203	2,034	671	3,325	583
24039	Maryland	Somerset	314	59	45	47	85	78	50	103	161	278	36
24041	Maryland	Talbot	420	127	77	60	99	57	68	116	236	386	34
24043	Maryland	Washington	2,062	582	379	306	491	304	535	721	806	1,840	222
24045	Maryland	Wicomico	1,274	352	197	179	342	204	325	452	497	1,122	152
24047	Maryland	Worcester	941	261	145	129	239	167	164	275	502	854	87
24510	Maryland	Baltimore City	6,537	1,626	1,138	968	1,627	1,178	1,310	2,634	2,593	5,624	913

MARYLAND

#6
\$26.4 B SPENT
IN STATE

#6
5.6% OF
STATE GDP

4.7%
OF TOTAL U.S.
DEFENSE SPENDING

\$4,289
PER
RESIDENT

#7
\$17.5 B CONTRACT
SPENDING

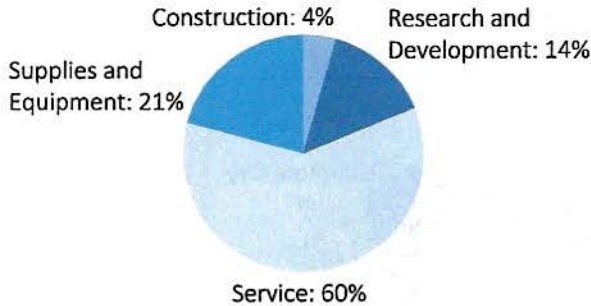
#4
\$626.4 M GRANT
SPENDING

#8
93,930 NUMBER
OF PERSONNEL

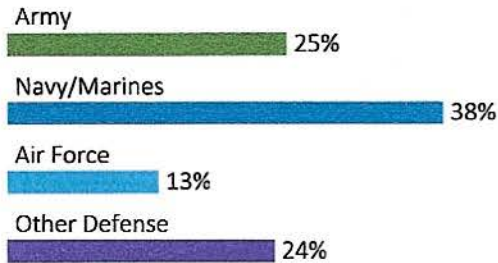
#5
\$8.4 B PERSONNEL
SPENDING

DEFENSE CONTRACTS

By Type



By Service



Top Defense Contractors

(M = millions, B = billions)

Northrop Grumman	\$1.3 B
Johns Hopkins University	\$1.2 B
Leidos	\$685.7 M
Booz Allen Hamilton	\$489.6 M
BAE Systems	\$459.1 M
Johns Hopkins Health System Corp.	\$455.7 M
Amentum Services, Inc.	\$421.9 M
V2X	\$378.6 M
Lockheed Martin	\$375.2 M
TCOM, LP	\$332.4 M

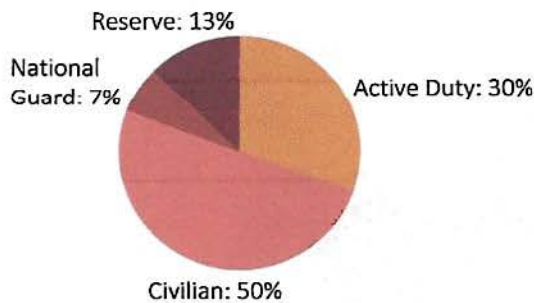
Contract Awards Performed

(By Fiscal Year, billions)

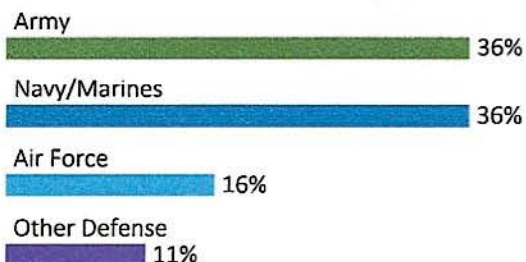


DEFENSE PERSONNEL

Allocations, By Type



Allocations, By Service



\$8.4 BILLION
TOTAL PAYROLL

93,930
TOTAL PERSONNEL

Top Defense Personnel Locations

County	Active Duty	Civilian	National Guard	Reserve	Total
Anne Arundel	12,888	9,030	441	3,697	26,056
Prince George's	4,770	4,768	1,007	4,419	14,964
Harford	832	10,762	910	566	13,070
St. Mary's	2,121	10,045	65	18	12,249
Montgomery	4,556	6,348	189	561	11,654
Charles	567	2,380	42	816	3,805
Frederick	1,140	2,274	90	173	3,677
Baltimore	111	374	2,630	503	3,618
Baltimore City	83	981	333	978	2,375
Allegany	1,013	ND	0	89	ND

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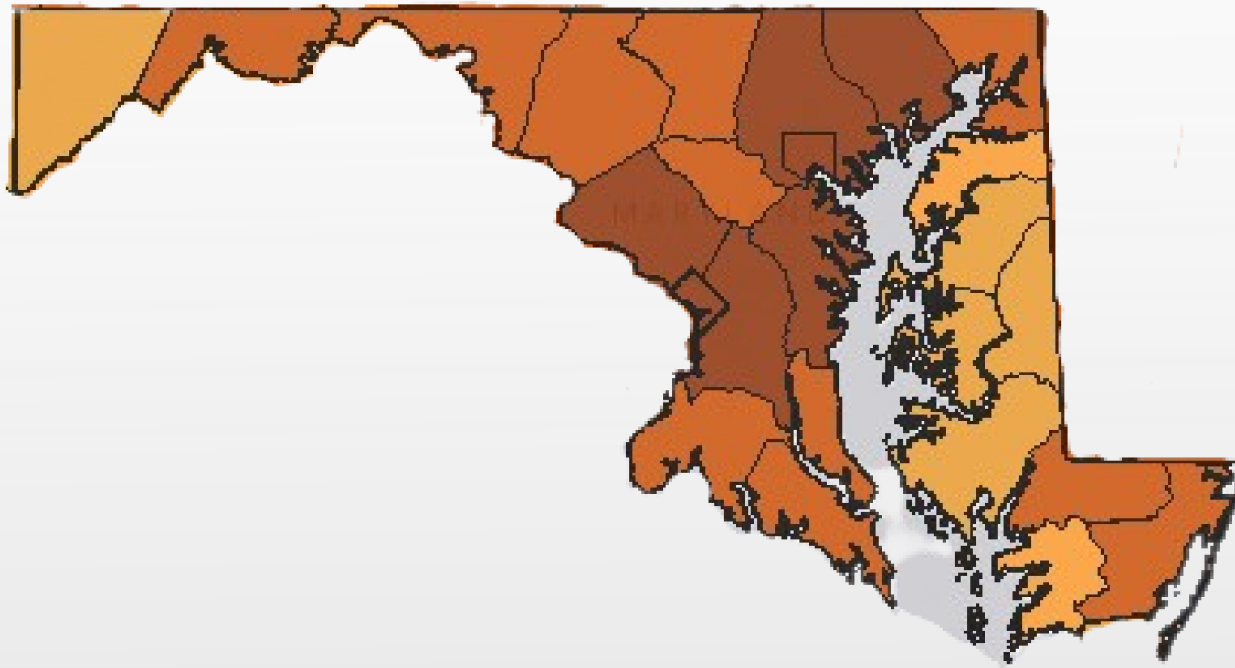
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Maryland



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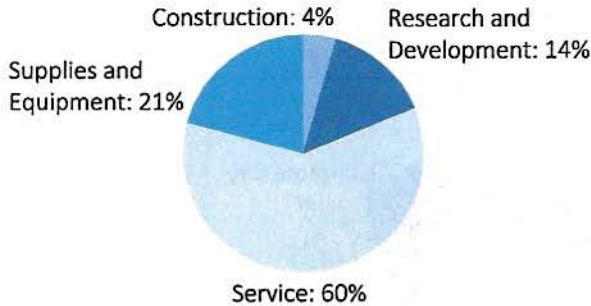
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MARYLAND

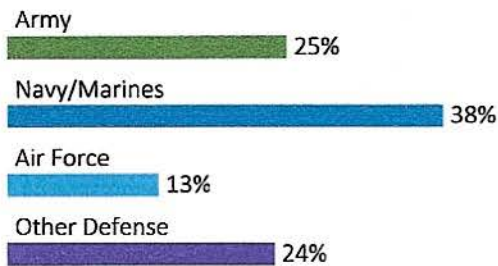
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DEFENSE CONTRACTS

By Type



By Service



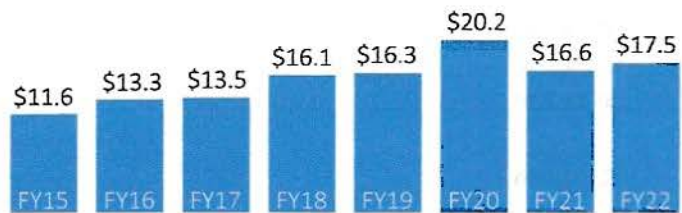
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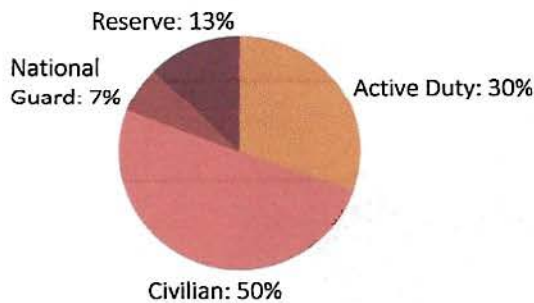
Contract Awards Performed

(By Fiscal Year, billions)

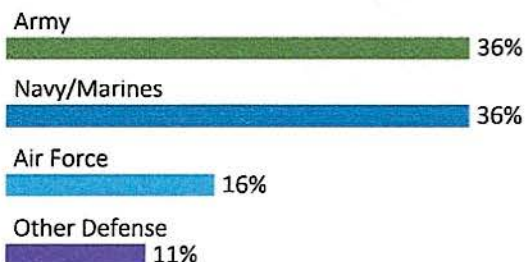


DEFENSE PERSONNEL

Allocations, By Type



Allocations, By Service



\$8.4 BILLION
TOTAL PAYROLL

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TOTAL PERSONNEL

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Montgomery	4,556	6,348	189	561	11,654
Charles	567	2,380	42	816	3,805
Frederick	1,140	2,274	90	173	3,677
Baltimore	111	374	2,630	503	3,618
Baltimore City	83	981	333	978	2,375
Allegany	1,013	ND	0	89	ND