



DEPARTMENT OF ASSESSMENTS & TAXATION



Frequently Asked Questions

How can I file an application?

How do I check the status of my application?

I thought I already filed an application but the Homestead Application Status indicates "No Application." What should I do?

Why should I want to submit the application?

I recently purchased my property, do I still need to file an application?

Why is the Homestead Eligibility Application needed?

Why were homeowners required to apply for the Homestead Tax Credit?

Maryland Homestead Tax Credit

Note: In October 2017, Prince George's County changed their Homestead Tax Credit percentage from 1% to 2%, and that change was not reflected in SDAT's reassessment notices sent out in January, 2018. To see if this impacts your notice, please [visit this page](#).

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

➤ **How can I notify SDAT that a residential property is not the owner's principal residence?**

➤ **What is the Department of Assessments and Taxation doing to ensure the confidentiality of my Social Security number that I am required to provide on the homestead tax credit application form?**

$(\$10,000 \div 100 \times \$1.04)$.

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.

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 sdattax@maryland.gov.

Homestead Tax Credit Application

 [Download the application here](#)

Mail application to:

Department of Assessments and Taxation
Homestead Tax Credit Division
301 West Preston Street, 8th Floor
Baltimore, Maryland 21201

Fax the application:

You may fax in the completed paper application to the Department at 410-225-9344

File electronically:

The online application is available at <https://sdattax.dat.maryland.gov/>

Please do not mail any tax credit applications to the Department containing personal information, such as social security numbers and/or income tax returns. Instead, please mail or fax your completed application and supporting documents to the Department, so your personal information remains confidential.

Contact Information:

410-767-2165 in the Baltimore metropolitan area or 1-866-650-8783 toll free elsewhere in Maryland Email: sdattax@maryland.gov

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