

Commission on Veterans Affairs draft

Michael Wilson, Chair

June 11, 2024

Montgomery County Council Testimony on Bill 6-24; Property Tax Credit – Disabled Veterans <u>Bill 6-24 – Property Tax Credit – Disabled Veterans</u>

On behalf of the Commission on Veterans Affairs, I am testifying in favor of this bill, with amendments that will provide honorably discharged disabled Veterans a property tax credit to financially assist them to age in place. It was noted that income in Montgomery County is different than counties with higher property taxes. The county should be trying to attract and retain more veterans to the county to help the economy and the job force. This bill was discussed with the Commission on Veterans Affairs in March and in May and I will share with you their recommendations:

- 1. The income cap is too low. Eligibility is for the federal adjusted gross income not exceeding \$100,000. The Commission recommends that you use instead the average median income. The median household income in Montgomery County is \$129,636.
- 2. Some commissioners expressed concern that critical components such as whether it is combined income or just the Veteran's income was not spelled out and should be. Women veterans are disproportionately married to other veterans and their total combined retirement income is more likely to be over \$100,000 and make them ineligible for the tax credit. You may want to double the average median income for married couples. Income from VA disability payments are non-taxable and would not be included in gross income. You may want to consider adding this to the bill.
- 3. The Commission recognizes that there could be improvements to Bill 6-24 but the County must follow what is currently noted in the state law. If Bill 6-24 passes, we ask that the Council work to get the law changed at the state level to update the disability ratings income caps and estimated value of the homes.

We recognize that 100% disabled veterans currently do not pay property tax in Maryland and this will continue. We want to thank Councilmember Fani- Gonzalez for reaching out and meeting with the Commission on this bill. And, thank you for the opportunity to share with you the recommendations of the Commission.