

**\*NEW\* Property Tax Credit for Elderly Individuals and for Military Retirees**

**(Bill 42-16)**

***Note: Incomplete Applications will not be processed.***

***Please make sure that you provide the required attachments with your Application.***

On March 7, 2017 the Montgomery County Council passed Bill 42-16, which will provide a tax credit for people who are over 65 years of age and who either:

- Have owned and lived in the dwelling that they own for at least 40 consecutive years, or
- are retired from one of the United States' armed forces (Air Force, Army, Coast Guard, Marine Corps, Navy).

The owner who is 65 or over and who has owned and lived in the dwelling for at least 40 consecutive years must be on the deed for the property. An owner who is 65 or over and is a military retiree must be on the deed for the property. Not all owners must be over 65, just the one that meets the requirements above. Not all owners must have owned and lived in the dwelling for at least 40 consecutive years, just the one that meets the requirements above. Not all owners must be retired from the U. S. armed forces, just the one that meets the requirements above.

This bill will provide a 20% credit, on County property taxes only, only for owner-occupied dwellings for which at least one of the owners meet the eligibility requirements noted above. The credit is granted for 5 consecutive years, and the credit is not available after that 5 year period. There is only one credit—if an owner is 65 or over and has owned and lived in the same dwelling for at least 40 consecutive years, AND that owner is also a military retiree, the tax credit is still a 20% tax credit on County property taxes only, for 5 consecutive years.

*Please note that the term "dwelling" means the entire property, not just the home on the land—it includes the land. The assessment on a dwelling is therefore the assessment that is shown on your tax bill, as this includes both the home and the land.*

For owners that are at least 65 years of age and have owned and lived in the same dwelling for at least 40 consecutive years, the tax credit is only available if the dwelling has an assessment of \$650,000 or less, at the time of the application for the credit. If the dwelling is assessed at more than \$650,000, then the property is not an eligible property, and no credit will be granted.

For owners that are at least 65 years of age and are military retirees the tax credit is only available if the dwelling has an assessment of \$500,000 or less, at the time of the application for the credit. If the dwelling is assessed at more than \$500,000, then the property is not an eligible property, and no credit will be granted.

An application must be made each year for the tax credits. The applications will be due on April 1, before the tax year that begins on July 1 of the same calendar year. Tax years begin on July 1<sup>st</sup>—the 2017 tax year begins on July 1, 2017.

*over*

*For 2017 taxes only, applications will be accepted until September 1, 2017. If you wish to receive a credit for your 2017 taxes, you must apply by September 1, 2017.*

*For all other tax years, you must apply by April 1<sup>st</sup>. For example, if you wish to receive a 2018 tax credit (for the tax year that begins July 1, 2018), then you must apply for it by April 1, 2018.*

This tax credit will not be issued on the annual property tax bill that is sent in July, instead it will be calculated and issued on a subsequent revision of your tax bill, with the tax credit appearing as a line item deduction on the bill. When the tax credit is issued, your revised bill will also be available on our website at <https://www2.montgomerycountymd.gov/realpropertytax/default.aspx>. At this site you can look up your tax bill by address, by your account number, or by your bill number.

The revised bill amount will also be available by calling MC311 (dial 311 if you are in the County, and dial 240-777-0311 if you are calling from outside of Montgomery County).

Please mail your application to:

Department of Finance, Division of Treasury  
Attn: Bill 42-16 Tax Credit  
255 Rockville Pike, Suite L-15  
Rockville, Maryland 20850