

# COUNTY COUNCIL OF



ANNE  
ARUNDEL  
COUNTY

M A R Y L A N D

## LEGISLATIVE SUMMARY\*

To: All Councilmembers of the Anne Arundel County Council

From: Linda M. Schuett, Legislative Counsel

Date: December 7, 2020

Subject: Bill No. 105-20

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Section 9-265 of the Tax-Property Article of the State Code authorizes a local jurisdiction to grant a property tax credit imposed on a dwelling owned by a disabled veteran. State law also allows local jurisdictions to provide a property tax credit to the surviving spouse of a disabled veteran. Finally, State law allows local jurisdictions to provide for the duration of the credit; regulations and procedures for the application and uniform processing of requests for the credit; the definition of surviving spouse and the amount and duration of the credit for a surviving spouse; and any other provisions necessary to carry out the credit.

Bill NO. 105-20 establishes a property tax credit from the County real property taxes levied on a dwelling owned by an eligible disabled veteran or by an eligible surviving spouse of the disabled veteran. *See* subsection (b). The Bill incorporates the following two State law definitions:

(1) “Disabled veteran” means an individual who is honorably discharged or released under honorable circumstances from active military, naval, or air service and 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 is reasonably certain to continue for the life of the veteran and was not caused or incurred by misconduct of the veteran; and

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\* This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

(2) “Dwelling house” means real property that is the legal residence of a disabled veteran and occupied by not more than two families, and includes the lot or curtilage and structures necessary to use the real property as a residence.

The Bill defines “surviving spouse” as the spouse of a deceased disabled veteran who has not remarried since the death of the veteran. *See* subsection (a). This definition is derived from § 4-2-318(1)(2) of the County Code, a section that the Bill repeals because State authority for that tax credit has been repealed.

There are four criteria that must be met to be eligible for the tax credit:

- (1) the disabled veteran or the disabled veteran’s surviving spouse must own the dwelling;
- (2) the federal adjusted gross income for the disabled veteran or surviving spouse for the immediately preceding taxable year may not exceed \$100,000;
- (3) for a surviving spouse, the disabled veteran must have qualified for and received a tax credit at the time of death; and
- (4) application requirements are met.

*See* subsection (c).

For a disabled veteran, the tax credit is calculated as provided by § 9-265 of the Tax-Property Article of the State Code. *See* subsection (d)(1). State law provides that the credit equals (1) 50% of the county ... property tax imposed on the dwelling if the disabled veteran’s service-connected disability rating is at least 75% but not more than 99%; or (2) 25% of the county ... property tax imposed on the dwelling if the disabled veteran’s service-connected disability rating is at least 50% but not more than 74%. For a surviving spouse, the tax credit is calculated based on the calculation for the disabled veteran prior to the disabled veteran’s death. *See* subsection (d)(2).

The maximum duration of the tax credit for the disabled veteran and for the surviving spouse is five years each. *See* subsection (e). However, the tax credit must be applied for or renewed each year in order to ensure that the disabled veteran or the surviving spouse continues to meet the eligibility requirements, as set forth above. The application for or renewal of the credit must be filed on or before April 1 immediately before the taxable year for which the credit is sought. If filed after April 1, the credit is denied for that taxable year but is treated as an application or renewal for the following taxable year. *See* subsection (f).

Section 9-265 of the Tax-Property Article of the State Code requires that a disabled veteran provide a copy of the disabled veteran’s discharge certificate from active military, naval, or air service and a certification of the disabled veteran’s disability from the Veterans Administration.

Under State law, these certificates are protected from inspection by anyone other than by the disabled veteran and appropriate employees of the county. Under subsection (g) of the Bill, the application must be on a form provided by the Controller's Office with a certification of eligibility of the disabled veteran or the surviving spouse. The Controller may require additional information necessary to determine qualification for the credit.

The tax credit terminates if the disabled veteran or the surviving spouse no longer occupies the dwelling, if either has received the tax credit for five years, or if the surviving spouse remarries. *See* subsection (h).