

Section 5 - Property Tax Administration

Table 5.1 identifies subdivisions offering discounts for property tax payments received before the statewide due date in September.

Eleven counties and Baltimore City grant a percentage discount for the payment of property taxes prior to a particular date. The amount of discount ranges from 0.5% to 1%, depending on how early the payment is made.

Conversely, each subdivision levies a percentage penalty and/or interest rate for late property tax payments. After October 1st, monthly interest charges vary. Penalties are imposed in a variety of ways including monthly surcharges or flat rates after a certain date.

Table 5.2 shows each subdivision's penalty and/or interest charged for late payment of property taxes.

Table 5.3 details each county's Homestead Property Tax Credit percentage. This is a statutory limit on the amount an assessment increase may affect a taxpayer's tax burden. Since 1977, State law provided that owner-occupied dwellings were not taxed on annual assessment increases that exceed 15%. While the Homestead Credit is not technically a cap on assessment increases, the provision of a property tax credit against large assessment increases functions much the same as a cap.

During the 1990 and 1991 Sessions of the General Assembly, significant changes were made to the Homestead Property Tax Credit Program. For the first time the credit was applied to the State property tax to limit taxable assessment increases for homeowners to 10% annually. Additionally, each county was mandated to adopt a local ordinance or resolution specifying a local percentage of 0% to 10% for purposes of local property taxation.

Table 5.3 lists the Homestead Credit Percentages set by each county for FY 2013 through FY 2018. The Homestead Credit percentage selected by each county is expressed as a percentage increase from the prior year's assessment. If a municipality disagrees with the Homestead Credit Percentage specified by its county, municipal officials may set their own limit between 0% and 10%. If a municipality takes no action, then the county percentage will apply to assessments used to compute municipal taxes.

Local percentages (county and municipal) remain in effect until changed by local action. County governments may, in the future, change their Homestead Credit percentage, but must do so by November 15th preceding the year of the proposed change. Municipalities may change the percentage before November 25th of the preceding year.

TABLE 5.1
PROPERTY TAX PAYMENT DISCOUNTS
FISCAL YEAR 2018

SUBDIVISION	Amount of Discount		
	July	August	Sept.
ALLEGANY	1%	1%	-
ANNE ARUNDEL	-	-	-
BALTIMORE CITY	0.5%	-	-
BALTIMORE COUNTY	1%	0.5%	-
CALVERT	-	-	-
CAROLINE	-	-	-
CARROLL	1%	0.5%	-
CECIL	-	-	-
CHARLES	-	-	-
DORCHESTER	-	-	-
FREDERICK	1%	0.5%	-
GARRETT ²	0.5%	-	-
HARFORD	1%	0.5%	-
HOWARD ³	0.5%	-	-
KENT	-	-	-
MONTGOMERY	-	-	-
PRINCE GEORGE'S	-	-	-
QUEEN ANNE'S	-	-	-
ST. MARY'S	-	-	-
SOMERSET	-	-	-
TALBOT	1%	-	-
WASHINGTON	0.5%	-	-
WICOMICO	1%	1%	-
WORCESTER	0.5%	-	-

²Discount only applies to online Echeck payment types.

SOURCE: Maryland Association of Counties/Department of Legislative Services, Budget and Tax Rate Survey, August 2017

TABLE 5.2
PROPERTY TAX PENALTIES AND INTEREST
FISCAL YEAR 2018

SUBDIVISION	Late Payment Penalty	Monthly Interest
ALLEGANY	-	-
ANNE ARUNDEL ¹	-	See note
BALTIMORE CITY	1%	-
BALTIMORE COUNTY	-	1%
CALVERT	-	-
CAROLINE	3%	1%
CARROLL	0.5%	0.67%
CECIL	3%	1%
CHARLES	-	1%
DORCHESTER	-	1%
FREDERICK	-	1%
GARRETT	-	1%
HARFORD	6.0%	1.5%
HOWARD ²	See note	1.5%
KENT	-	1.5%
MONTGOMERY	1.0%	0.67%
PRINCE GEORGE'S ³	See note	1.667%
QUEEN ANNE'S	-	1%
ST. MARY'S	3%	1%
SOMERSET	-	-
TALBOT	0.83%	0.67%
WASHINGTON	1.0%	-
WICOMICO	0.5%	1%
WORCESTER ³	-	1%, See note

Note 1 FY2018 Semi-Annual Payment charge is 0.22%. 1% interest starts in January thereafter.

Note 2 The penalty is 0.67% per month between October 1 and December 30, and 1.50% per month

Note 3 1% interest starts October 1

SOURCE: Maryland Association of Counties/Department of Legislative Services, Budget and Tax Rate Survey, August 2017

TABLE 5.3
COUNTY HOMESTEAD PROPERTY TAX CREDIT PERCENTAGES
FISCAL YEARS 2013 THROUGH 2018

SUBDIVISION	Percentage Limitation (maximum allowable assessment increase)					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
ALLEGANY	7%	7%	7%	7%	4%	4%
ANNE ARUNDEL	2%	2%	2%	2%	2%	2%
BALTIMORE CITY	4%	4%	4%	4%	4%	4%
BALTIMORE COUNTY	4%	4%	4%	4%	4%	4%
CALVERT	10%	10%	10%	10%	10%	10%
CAROLINE	5%	5%	5%	5%	5%	5%
CARROLL	5%	5%	5%	5%	5%	5%
CECIL	8%	8%	8%	8%	4%	4%
CHARLES	7%	7%	7%	7%	7%	7%
DORCHESTER	5%	5%	5%	5%	5%	5%
FREDERICK	5%	5%	5%	5%	5%	5%
GARRETT	5%	5%	5%	5%	5%	5%
HARFORD	5%	5%	5%	5%	5%	5%
HOWARD	5%	5%	5%	5%	5%	5%
KENT	5%	5%	5%	5%	5%	5%
MONTGOMERY	10%	10%	10%	10%	10%	10%
PRINCE GEORGE'S	4%	2%	2%	2%	0%	0%
QUEEN ANNE'S	5%	5%	5%	5%	5%	5%
ST. MARY'S	5%	5%	5%	5%	5%	5%
SOMERSET	10%	10%	10%	10%	10%	10%
TALBOT	0%	0%	0%	0%	0%	0%
WASHINGTON	5%	5%	5%	5%	5%	5%
WICOMICO	5%	5%	5%	5%	5%	5%
WORCESTER	3%	3%	3%	3%	3%	3%

Maryland State Department of Assessments and Taxation, rates effective July 1, 2017

http://dat.maryland.gov/realproperty/Documents/Homestead_Percent_Caps.pdf