ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 73-26

INTRO. DATE: September 8, 2026

FISCAL NOTE

BILL: **Finance, Taxation, and Budget – Real Property Tax – Tax Credits – Surviving Spouses of Disabled Veterans or Individuals who Died in the Line of Active Military Duty Who Do Not Qualify for Certain Other Tax Credits**

SUMMARY OF LEGISLATION

The purpose of this legislation is to provide for a tax credit for surviving spouses of disabled veterans or individuals who died in the line of active military duty ("Gold Star Families") who do not qualify for certain other tax credits in certain circumstances; and generally relating to finance, taxation, and budget.

FISCAL IMPACT

Operating Budget – Personal Services: Administration of a new tax credit would increase the workload for Office of Finance staff, but it is not known at this time whether that workload would merit the need for a new position. If this legislation is adopted, the department may request an additional position or contractors in the upcoming FY28 Budget.

Operating Budget – Other Operating Costs: The Office of Finance does not anticipate any additional operating costs, beyond the potential need for added staff capacity.

Capital Budget: N/A

Revenues: There is no anticipated effect on total County property tax revenue. In general, property tax credits of this nature have no aggregate fiscal impact on County revenue due to the County's policy of setting the property tax rate in accordance with the property tax revenue cap. Therefore, the total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will be adjusted to accommodate the credit.

A search of the Gold Star Family registry yields 6,789 families registered in Maryland. If this were proportionate and used 2020 census data, that would mean about 9.5% or 645 families are located in Anne Arundel County. Because of the concentration of military families in and around Fort Meade and the Naval Academy, the actual number may be higher.

The legislation includes an income requirement of $100,000 or less and an assessment cap of $800,000, so these constraints will reduce the total eligible universe of residents. Using current median income and assessment data, the Office of Finance projects that between 260 and 325 families would potentially be eligible for the credit. Taking the median taxable assessment of $354k, and using the current tax rate of

$0.968 per $100 would result in about $900,000 to $1.11 million in total credits annually under this new program.

Indirect and future fiscal effects: The definitions used in this tax credit legislation are set by the federal and state governments. Therefore, future changes by either the state or federal governments could expand this tax credit. For example, when the federal government changed requirements for disabled veterans within the last couple of years, the number of veterans considered fully and permanently disabled expanded. So, in essence, the population of eligible properties could increase outside of the County's control.

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Budget Officer

9/11/2026
Date

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