

Bill No. 21-25
Concerning: Taxation – Day Care and
Child Care Property Tax Credit
Revised: 6/17/2025 Draft No. 2
Introduced: June 17, 2025
Enacted: September 16, 2025
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Stewart
Co-Sponsors: Councilmember Alborno, Council Vice President Jawando, and Councilmembers
Friedson, Katz, Glass, Sayles, and Luedtke

AN ACT to:

- (1) increase eligibility for the day care and child care property tax credit;
- (2) increase the amount of the tax credit;
- (3) update terminology in accordance with state law; and
- (4) generally amend the law regarding property tax credits in the County.

By amending

Chapter 52, Taxation.
Section 52-94

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 52-94 is amended as follows:

52-94. Day care and child care property tax credit.

(a) *Credit for child care or day care provider.*

(1) A taxpayer may receive a property tax credit against the general County tax and special service area taxes for an improvement on real property if the improvement is used exclusively for child care or day care services under state law as a:

(A) registered family [day] child care home or large family child care home under Title 9.5, Subtitle 3 of the Education Article of the Maryland Code, as amended;

(B) licensed child care center under Title 9.5, Subtitle 4 of the Education Article of the Maryland Code, as amended;

(C) licensed day care center for the elderly under Title 14, Subtitle 2 of the Health – General Article of the Maryland Code, as amended; or

(D) licensed day care center for [medically handicapped] adults under Title 14, Subtitle 3 of the Health – General Article of the Maryland Code, as amended.

(2) For each improvement, the credit must not exceed in each year the lesser of:

(A) ~~[\$3,000]~~ \$10,000; or

(B) the amount of the general county tax and special service area taxes attributable to the improvement.

[(3) A taxpayer may only receive credit for an improvement completed and assessed after July 1, 1987.]

26 ~~[(4)]~~ (3) The Department of Finance administers this subsection. A
 27 taxpayer must apply for the tax credit with the Department of
 28 Finance by April 1 to receive the credit in the next taxable year.
 29 The taxpayer must certify in writing that the child care or day
 30 care provider:

31 (A) is licensed or registered by the State; and

32 (B) will accept clients whose care is subsidized by the County,
 33 State, or federal government, if the child care or day care
 34 provider has space.

35 ~~[(5)]~~ (4) A taxpayer must not receive a credit under this subsection
 36 if the real property qualifies for a credit under subsection (b).

37 (b) *Credit for family [day] child care home or [group day] child care center*
 38 *on business property.*

39 (1) A taxpayer may receive a property tax credit against the general
 40 County tax and special service area taxes for an improvement on
 41 real property owned by a business with at least 25 employees if
 42 the improvement is used exclusively for [day] child care services
 43 under state law as a:

44 (A) registered family [day] child care home or large family
 45 child care home under Title 9.5, Subtitle 3 of the Education
 46 Article of the Maryland Code, as amended; or

47 (B) licensed child care center under Title 9.5, Subtitle 4 of the
 48 Education Article of the Maryland Code, as amended.

49 (2) For each improvement, the credit must not exceed in each year
 50 the lesser of:

51 (A) ~~[\$3,000]~~ \$10,000; or

(B) the amount of the general County tax and special service area taxes attributable to the improvement.

[(3) A taxpayer may only receive credit for an improvement completed and assessed after July 1, 1988.]

[(4)] (3) The Department of Finance administers this subsection. A taxpayer must apply for the tax credit with the Department of Finance by April 1 to receive the credit in the next taxable year. The taxpayer must certify in writing that the child care or day care provider is licensed or registered by the State.

(c) *Executive regulations.*

The County Executive must adopt regulations under method (3) to implement this Section.

(d) *Reports.*

The County Executive must report annually to the County Council on the use of the day care and child care property tax credit.

Sec. 2. Transition. The amendments to Section 52-94, under Section 1 of this Act, must apply to the tax year beginning July 1, 2026, and to each subsequent tax year.

Approved:



Kate Stewart, President, County Council

Date

Approved:

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council

Date