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IMMEDIATE RELEASE

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MARYLAND HOMEOWNER'S MORTGAGE INTEREST DEDUCTION IN JEOPARDY

“In his recently introduced budget, Governor Martin O’Malley has proposed to reduce the mortgage interest deduction for many Maryland homeowners,” according to Mary C. Antoun, Chief Executive Officer of the Maryland Association of REALTORS®.

“Since 1913, the tax code has protected mortgage interest deductibility. Maryland shouldn’t scale back the most important tax benefit homeowners receive,” stated Antoun. “Everyone is well aware of the burdens Maryland homeowners are facing. Many homeowners have watched the value of their homes decrease. One-fifth of Maryland homeowners are currently underwater, and now homeowners find the one constant reliable tax benefit to owning a home under attack.”

If tax deductions are capped, as proposed by the Governor’s budget, many Maryland homeowners will lose some of the value of their mortgage interest deduction and the deductibility of state and local property taxes.

“These two principal real-estate related deductions accounted for almost 70% of total deductions claimed by Maryland taxpayers in 2008,” noted Antoun.

“Maryland homeowners already contribute a substantial proportion of taxes to local and state coffers,” Antoun added. Maryland is one of the

most real estate tax dependent states in the country, ranking 10th among all states. The state has one of the most aggressive real estate tax structures in the country, ranking 11th among all states in terms of total real estate tax burden. And taxes on real estate are the primary source of revenue for Maryland's local jurisdictions.

"Housing and real estate account for almost one-fifth of Maryland's gross state product," said Antoun. "Traditionally, the housing sector leads the economy out of recession and into more robust growth, but that can't happen if we keep putting hurdles in its way."

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