

Senior Tax Credit Bill Clears Final Hurdle

Seniors living in Baltimore City received a jolt of good news Monday when Mayor Rawlings-Blake signed into law a piece of legislation sponsored by Council President Bernard C. "Jack" Young that would help keep older adults in their homes and off the streets.

The bill would create a local supplement to the state's Homeowners' Tax Credit Program and is designed to provide additional assistance to Baltimore City's seniors. The Council President thanked the Mayor for her support.

"I'm very pleased the Mayor recognized how valuable this legislation is for our senior population," the Council President said. "From a financial standpoint, it makes total sense to do everything in our power to keep low-income older adults in their homes and out of poverty. It's good for seniors and beneficial to neighborhoods that would avoid the adverse impact of additional foreclosures."

The formula for determining the credit for Baltimore City homeowners under Young's proposal equals the amount of the property tax credit granted by the state, and the aggregate of the percentage of the homeowner's income. The income tiers for the Council President's bill are as follows:

- 0 percent of the first \$12,000 of income
- 3 percent of the next \$4,000 of income
- 7 percent of the next \$4,000 of income
- 9 percent of combined income over \$20,000, not to exceed \$40,000

According to Maryland's Department of Assessments and Taxation, the Homeowners' Property Tax Credit Program "allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In other words, it sets a limit on the amount of property taxes any homeowner must pay based upon his or her income."

City Supplement to Homeowners' Tax Credit Program (Low Income Seniors Tax Credit)

This credit applies to residential property owners who are at least 62 years old, have resided in their home for at least 10 years, and have a combined annual income of less than \$40,000. The credit went into effect on July 28, 2016 and will be administered by the State Department of Assessments and Taxation (SDAT). SDAT is in the process of researching the necessary steps to bring this online, effective for the fiscal year 2018 (July 1, 2017 – June 30, 2018) billing cycle. At this time, it is unclear if the credit will be applied retroactively. If you have questions, you can reach the Baltimore City Department of Finance at: <http://finance.baltimorecity.gov/contact-finance> or call 410-396-3987