




## FREDERICK COUNTY GOVERNMENT

Jan H. Gardner  
County Executive

OFFICE OF THE COUNTY EXECUTIVE *Raymond V. Barnes, Jr., Acting, Chief Administrative Officer*

**TO:** County Council

**FROM:** County Executive Jan H. Gardner 

**DATE:** March 5, 2018

**SUBJECT:** Comments on Council Bill #18-03 - Elderly Individual and Retired Military Tax Credit

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The following comments are presented for the Council's consideration regarding the proposed Council Bill #18-03, Elderly Individual and Retired Military Tax Credit, as prepared by Council Member Shreve.

We support the concept for tax credits for the indigent elderly and veterans. However, in our opinion, a superior tax credit program is already in place to serve elderly homeowners, including veterans. We support continuation of this program and the possible program expansions that are currently under consideration by the Council in other bills.

The Senior Tax Credit program currently in place for veterans and individual property owners is available to homeowners who are 65 years old, whose household income does not exceed \$70,000 and whose net worth does not exceed \$200,000 (not including home and retirement income accounts). The current Senior Tax Credit also allows the property tax credit to extend for as long as the homeowner owns the property and remains income/net worth eligible.

The proposed Bill #18-03 eliminates the income/net worth eligibility criteria but limits the credit for no more than five years. The proposed bill also requires the homeowner requesting the credit to document their ownership of the property for 40 years or their retired military status. The current Senior Tax Credit program does not require the homeowner to provide this documentation to be eligible for the credit and does not limit the credit to just five years.

In addition to the above, the fiscal note attached to this bill indicates that due to the annual application requirements, implementation of Bill #18-03 would require one additional staff person for the Treasury Department. Unlike the existing Senior Tax Credit program, the State Department of Assessments and Taxation will not provide administrative support for Bill #18-03 increasing the local County administrative costs by approximately \$59,000.

It should be noted that in other counties an assessment cap was included as part of the calculation. The Council should consider this in connection with this bill and other senior tax credit bills. It should also be noted that due to the timing of consideration of this bill, and the coordination needed with the State Department of Assessment and Taxation, that the effective date of implementation would be FY 2020 or July 1, 2019.

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The Administration would support modification to the current County Senior Tax Credit program through adjustments to the eligibility criteria so that more senior homeowners are eligible. Proposed modifications to the program are scheduled to be presented the Council in the form of separate bills drafted by Council Members Donald and Delauter. The Administration would support further discussion of these bills in substitution for the Bill #18-03.