



FREDERICK COUNTY GOVERNMENT

Jan H. Gardner
County Executive

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

TO: County Council

FROM: County Executive Jan H. Gardner *JHG*

DATE: April 23, 2018

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

The following comments are presented for the Council's consideration regarding the proposed Council Bill (as amended) titled Elderly Individual and Retired Military Tax Credit as introduced by Council Member Shreve.

The Administration supports the amendments to Bill #18-03 as approved at the Council meeting on April 17, 2018. The addition of language that addresses the issues of an effective date, the issue of multiple credits, assessment cap, application deadlines, authority to promulgate rules/regulations, and applicability of the tax credit, allows staff to properly prepare for the implementation of this bill in an effective and efficient manner. Of key importance is an effective date of July 1, 2019, to avoid any direct impact on the FY 2019 budget.

The Administration wants to highlight the need to pay for the fiscal note with this bill. According to the fiscal note prepared by the Division of Fiscal Services, enactment this Bill will reduce County property tax revenues by an estimated \$1.75 million dollars. This reduction in income, without a corresponding source of replacement funds, will have significant consequences in the level of service we can provide for County programs. Given this potential fiscal impact, the administration will be proposing elimination of the discount for early payment of taxes. Elimination of this discount will offset the reduction in income associated with approval of this Bill.