

Andrew Klein

FROM	NAME & TITLE	Andrew W. Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall (396-4941)
	SUBJECT	City Council Bill No.12-0075 Information to Owners of Residential Property

CITY of
BALTIMORE
MEMO



DATE: May 31, 2012

TO

Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

Attention: Karen Randle

This bill proposes to require the Department of Finance to compile and post on its website certain tax credit information. It also requires the seller of residential property to provide a copy of that information to the buyer and failing to do so imposes penalties for the seller.

Analysis

The Department of Finance believes that this legislation will increase transparency of the true cost of taxes levied by the City of Baltimore. If prospective home owners know that they will qualify for tax credits against their property taxes, they will be able to make better purchasing decision. This is especially important for the Targeted Homeowners Tax Credit for which all owner-occupied homes will receive a credit.

The department is concerned that the scope of section 14-7 of the bill be limited to real property tax credits. As written, the legislation appears to include income tax credits, an area where the Department of Finance has limited expertise.

Fiscal Impact

The required information has been available on the Department of Finance's website for the last two years. To facilitate the disclosure requirement, the department has created a single table with all the information which can be printed out in portable document format (PDF). Additionally, the department has updated the website with the new Targeted Homeowners Tax Credit which was recently passed by the City Council.

The Department does not anticipate a significant fiscal impact to the City.

Recommendation

If limited to real property tax credits, the Finance Department supports and is in compliance with this legislation.

Cc: Harry Black
Angela Gibson

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