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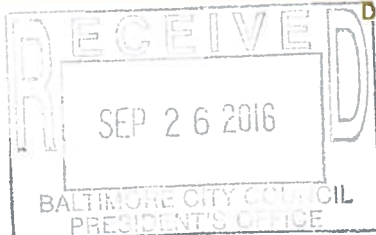
NAME & TITLE	William Voorhees, Ph.D. <i>WV</i>
AGENCY NAME & ADDRESS	Department of Revenue and Tax Analysis Room 545, City Hall (396-4961)
SUBJECT	City Council Bill 16-0736 – Tax Credits – High Performance Market-Rate Rental Housing

CITY of
BALTIMORE
MEMO



TO

Honorable President and
Members of the City Council
C/O Natawna B. Austin
Room 545, City Hall



DATE:

September 19, 2016

City Council Bill 16-0736 – Tax Credits - High-Performance Market-Rate Rental Housing is for the purpose of modifying certain provisions concerning the determination of the amount of credit to be granted for the High-Performance Market-Rate Rental Housing Tax Credit for Targeted Areas and for Citywide Areas; and providing that the Director of Finance may adopt rules and regulations for granting partial credits for eligibility periods less than a full taxable year.

Analysis

This legislation will provide a new calculation for the High-Performance Market-Rate Rental Housing Tax Credits, both Targeted and Citywide. Specifically, this new calculation language will ensure that the calculation of the credit takes into account the full cash value of the property following the completion of improvements. Additionally, this legislation provides that the Director of Finance may adopt rules and regulations that include procedures for granting partial year credits.

Amendment

The Department of Finance recommends that the effective date of this bill be set to July 1, 2017 to allow additional time to make changes to the City Tax Credit System, which calculates the tax credits. The change in the calculation included in this legislation will require additional programming by the Mayor's Office of Information Technology.

Fiscal Impact

The fiscal impact of this bill will be minimal.

Recommendation

The Department of Finance supports this legislation with an amended effective date.

CC: Henry Raymond
Natawna Austin

Fav w/ Amend