


F R O M	Name & Title	Walter J. Horton Real Estate Officer	CITY OF BALTIMORE MEMO	
	Agency Name & Address	Department of Real Estate Room 304 – City Hall 100 N. Holliday Street		
	Subject	City Council Bill 14-0407 Tax Credits – Portable Homestead		

To: Honorable President and Members
of the City Council
Attn: Ms. Natawana Austin
City Hall, Room 409

Date: August 26, 2014

As requested, we have reviewed City Council Bill #14-0407 which would add Section 10-1.1 to Article 28 of the Baltimore City Code to provide a homestead tax credit for a dwelling newly purchased by a homeowner who has, for the preceding five years, received the homestead property tax credit on a dwelling in Baltimore City. This bill will implement the requirements enacted by Chapter 623 of the 2014 Acts of the Maryland General Assembly. The state law creates the homestead tax credit, provides the amount of the tax credit, sets a limit on the City's expenditures on the credit, establishes a time limit for the tax credit and the reinstatement of the normal homestead tax credit upon the termination of the new portable homestead tax credit.

There are two types of portable homestead tax credits. One is for a total of \$5,000 and applies to dwellings within a low or moderate census tract. The other type is in the amount of \$4,000 and applies to all other dwellings in Baltimore city. The tax credit shall be allocated over the course of five years in the following manner:

	Low/Moderate	Other
Year 1	\$1,200	\$1,000
Year 2	\$1,100	\$900
Year 3	\$1,000	\$800
Year 4	\$900	\$700
Year 5	\$800	\$600

The portable tax credit is not transferable.

The Director of Finance shall review and approve applications for the tax credit. The Department of Finance shall "evaluate the efficacy of the credit" and "submit a report of its findings on or before December 31, 2018 and December 31, 2020" to the Mayor and City Council and the City House and Senate Delegations and enumerated committees of the General Assembly.

The Department of Real Estate has no objections to the passage of City Council Bill 14-0407.

Cc: Angela Gibson