

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2016 Legislative Session

Reference No.: CB-050-2016
Draft No.: 1
Committee: COW
Date: 07/12/2016
Action: FAV

REPORT: 1

Committee Vote: Favorable, 8-0 (In Favor: Council Members Davis, Glaros, Franklin, Harrison, Lehman, Patterson, Taveras and Turner)

CB-050-2016 establishes the Homestead Property Tax Credit for the County Property Tax for the taxable year beginning July 1, 2017 as required by State law. The proposed Bill sets the Homestead Property Tax Credit at 101% for County property taxes for the taxable year beginning July 1, 2017. The tax credit increases from the FY 2017 rate of 100%, correlating to a decrease in the amount of tax credit offered when compared to the previous fiscal year.

The rate is based upon the percentage year-over-year change in the Consumer Price Index (CPI) between June 2015 and June 2016.

Enactment of CB-050-2016 will increase the County's Homestead Property Tax Credit to 101% in FY 2018 and will have a positive fiscal impact on the County. In FY 2018 the County is estimated to receive \$2.5 million more in real property tax revenue when compared to FY 2017.

During the deliberation on CB-50-2016 Council Members expressed their observation on the Homestead Tax Credit as applied in the County in light of the fact that we have imposed a more restrictive cap of 5%.

After debate, the Committee Of the Whole voted CB-050-2017 favorably 8-0.