



PRINCE GEORGE'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

June 14, 2016

Rushern L. Baker, III
County Executive

The Honorable Derrick Leon Davis
Chairman
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chairman Davis:

Enclosed for the County Council's consideration is a bill required pursuant to State law setting the FY 2018 homestead tax credit percentage for the lesser of the inflation based upon the Consumer Price Index for All Urban Consumers (CPI-U) or 5% of the prior year's taxable assessment.

Based on current trends, we anticipate that the CPI-U for June 2016 will increase by 1%, rounded to the nearest whole number, compared to June 2015. Please note that the legislation will be amended if the actual June 2016 CPI-U is higher or lower than 1%. The County Charter provides that the homestead property tax credit percentage should be set not to exceed 100% plus the percentage of the increase in the CPI-U for the previous twelve months, rounded to the nearest whole number, but not more than 105%. Therefore, the homestead tax credit shall be set at 101% for FY 2018.

The Council's favorable consideration of this legislation is requested. If you have any questions, please contact my office or Terri K. Bacote-Charles, Director, Office of Management and Budget at (301) 952-3218.

Sincerely,

A handwritten signature in black ink, appearing to read "Rushern L. Baker, III".

Rushern L. Baker, III
County Executive

Enclosures