



THE PRINCE GEORGE'S COUNTY GOVERNMENT


Office of Audits and Investigations

September 23, 2020

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

FROM: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

RE: Fiscal Impact Statement
CB-057-2020 Homestead Property Tax Credit

CB-057-2020 (Proposed and presented by: the Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

AN ACT CONCERNING HOMESTEAD PROPERTY TAX CREDIT for the purpose of establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2021.

Fiscal Summary

Direct Impact:

Expenditures: None.

Revenues: Negative.

Indirect Impact:

None.

Legislative Summary:

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167

CB-57-2020 would establish the Homestead Property Tax Credit for the County property tax for the taxable year beginning July 1, 2021 (FY 2022), as required by State law.

Current Law/Background:

Section 9-105(e)(3) of the Tax-Property Article of the Annotated Code of Maryland requires the enactment of the County's homestead property tax credit percentage for the taxable year beginning the following July 1, on or before March 15th of the year.

Resource Personnel:

Stanley Earley, Director, Office of Management and Budget

Discussion/Policy Analysis:

The proposed Bill sets the Homestead Property Tax Credit at 101% for County property taxes for the taxable year beginning July 1, 2021 (FY 2022). The tax credit decreases from the FY 2021 rate of 102%, correlating to an increase 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 (increase/decrease) in the Consumer Price Index (CPI) between June 2019 and June 2020.

Office of Management and Budget staff may be able to provide a summary of the estimated revenue losses and potential savings for FY 2022 related to a range of Homestead Property Tax Credit percentage rates., including the estimated FY 2022 revenue loss related to the Homestead Tax Credit.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-057-2020 will have a negative fiscal impact on the County related to the decrease in the County's Homestead Property Tax Credit from 102% to 101%.

Appropriated in the Current Fiscal Year Budget

The enactment of the proposed legislation relates to anticipated revenue for FY 2022, for which a budget has not been adopted to date.

Effective Date

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

Robert J. Williams, Jr.

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If you require additional information, or have questions about this fiscal impact statement, please call me.