



HARFORD COUNTY, MARYLAND

Office of the County Auditor

FISCAL IMPACT NOTE

Bill Number:

22-022

Tax Credit for Elderly
Individuals and
Veterans Updates

Sponsor:

Council President Vincenti
at the request of the
County Executive

Estimated Fiscal Impact:

Potential reduced tax
revenue of \$2.1 million
annually

Additional Information:

Version: 01

based on bill as
introduced 9/13/2022

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Summary of Legislation

AN ACT to repeal and reenact, with amendments, Section 123-46.5, Tax credit for elderly individuals and veterans, of Article II, Real Property Tax Credits, of Chapter 123, Finance and Taxation, of the Harford County Code, as amended; to expand the definition of an “eligible individual” to include active duty, retired, or honorably discharged members of the military with disabilities and those individual’s surviving spouse; to provide a definition to the term, “disability”; to increase the maximum number of years an individual may be granted the tax credit; to increase the maximum assessed value of the dwelling eligible for the tax credit; and generally relating to property tax discounts and credits.

The bill will take effect 60 days after it is adopted.

Fiscal Analysis

This bill, if adopted, would amend the County Code to make military veterans, with service-related disabilities, and their surviving spouses, of any age, eligible for the property tax credit for elderly individuals and veterans. Currently, only persons aged 65 or older are eligible. Using Maryland Department of Planning and U.S. Census Bureau data, we estimate there are approximately 2,600 disabled veterans under 65 years old in Harford County.

The bill would also decrease the elderly individuals’ minimum ownership length to 35 years (from 40) and increases the maximum assessed property value for eligibility to \$600,000 (from \$400,000). Approximately 4,400 parcels meet the current value and transfer date requirements (though many more are eligible due to transfers within families). These amendments would make approximately 2,800 more parcels eligible, primarily because of the ownership requirement change.

We cannot specify the number of new households that qualify for or will apply for the tax credit. However, if 80% of the above are eligible, the veterans’ credits will increase tax credits by \$1.0 million and the new parcel requirements will increase tax credits by \$1.1 million, annually. The bill also changes the number of years the credit may be granted to 20 years (from 5 years) which should not significantly change the number of eligible parcels in any year.