

## Council Bill 60-2025 Fiscal Analysis

Introduced: September 2, 2025

Fiscal Manager: Owen Kahn

**Legislative Intent:** This legislation amends the net worth eligibility criteria for the Senior Tax Credit and the duration of the Aging in Place Tax Credit.

### ANALYSIS

#### Fiscal Impact:

<u>Tax Year 2025 Forgone Revenue Estimates<sup>1</sup>:</u>			
	<u>Current Forgone Revenues<sup>2</sup></u>	<u>CB 60 Change Estimates</u>	<u>CB 60 new total</u>
Senior	(\$560,000)	(\$450,000)	(\$1.01 million)
Aging in Place	(\$6.2 million)	(\$1.3 million)	(\$7.5 million)

**This legislation would increase forgone property tax revenues by approximately \$1.65 million in tax year 2025.**

#### *Property tax credit for senior citizens (“Senior Tax Credit”)*

This legislation increases the maximum eligible household net worth from \$500,000 to \$800,000 in TY2025. Additionally, starting in TY2025, this maximum eligible net worth will be increased annually based on the [Consumer Price Index for all Urban Consumers \(CPI-U\) in the Baltimore-Columbia-Towson area](#). For reference, the 12-month CPI-U in the area has averaged 3% annually. According to data received from the Department of Finance, adoption of this legislation would result in additional forgone tax revenue of approximately \$450,000 due to an estimated 450 additional recipients. The total forgone revenue for the Senior Tax Credit would increase from \$560,000 per year to approximately \$1 million per year. Forgone revenue would increase annually with inflation and with the addition of new applicants.

#### *Property tax credit for seniors and retired military personnel (“Aging in Place Tax Credit”)*

This legislation extends the credit duration from eight years to ten years. The Aging in Place Tax Credit was established in Howard County nine years ago, and according to data received from the Department of Finance, this year approximately 1,300 residents hit the eight-year limit and became ineligible for future credits. Adoption of this legislation would allow these 1,300 residents to reapply and if approved, would result in additional forgone tax revenue of approximately \$1.3 million. The total forgone tax revenue for TY 2025 including current recipients and pending applications would be approximately \$7.5 million. This is an increase of \$2 million from the Department of Finance’s current TY 2025 estimates. In TY 2028, forgone revenue would decrease as ten-year recipients are again phased out.

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<sup>1</sup> Estimates based on data from Department of Finance.

<sup>2</sup> Estimates based on past tax credit data provided by the Department of Finance.

**Budget Implications:**

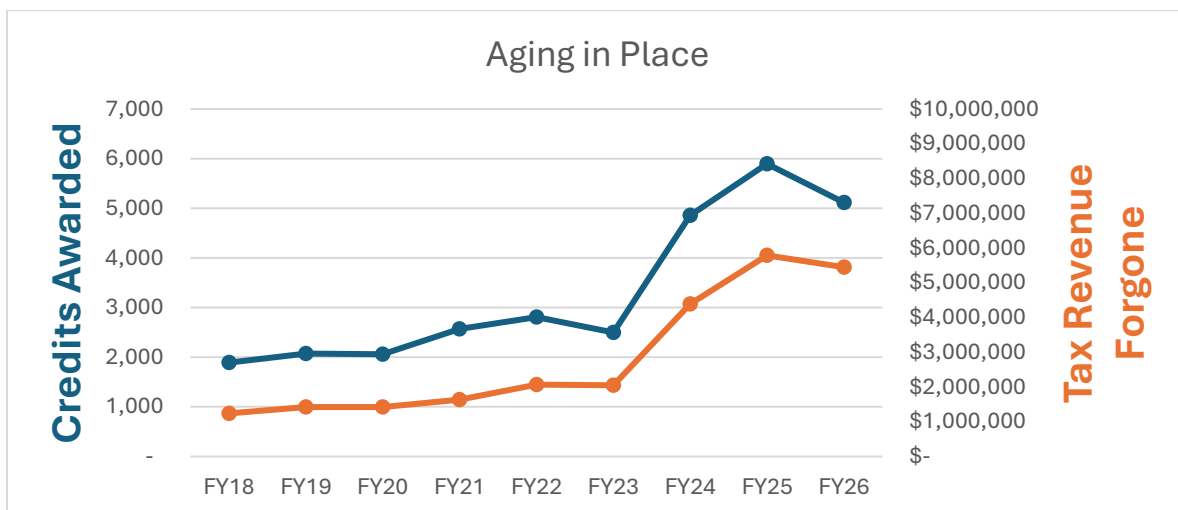
- If this legislation is adopted, these 1,300 residents who still live in their qualified homes and continue to meet other eligibility criteria will again become ineligible for the Aging in Place Tax Credit in two years. The County has already [extended the credit duration once](#) (from five years to eight years). For TY 2028, the County may consider another extension.

**Other Notes:**

- The Senior Tax Credit is 25% of property taxes and the Aging in Place Tax Credit is 20% of property taxes. Residents may only receive one credit at a time. Because the credit is slightly higher, it is assumed that residents will always choose to apply for the Senior Tax Credit if they are eligible; the Senior Tax Credit does not have a duration limit.

*Aging in Place and Senior Tax Credit Historical Data*

Aging in Place Tax Credit – Data from Department of Finance		
FY	Credits Awarded	Tax Revenue Forgone
FY18	1,891	\$ 1,240,200
FY19	2,071	\$ 1,423,201
FY20	2,059	\$ 1,426,610
FY21	2,568	\$ 1,631,411
FY22	2,810	\$ 2,067,523
FY23	2,496	\$ 2,049,169
FY24	4,857	\$ 4,387,162
FY25	5,896	\$ 5,787,193
FY26	5,113	\$ 5,443,898
<b>Total</b>		<b>\$ 25,456,367</b>



Senior Tax Credit – Data from Department of Finance		
FY	Credits Awarded	Tax Revenue Forgone
Earlier		\$ 4,840,284
FY18	971	\$ 606,996
FY19	930	\$ 588,956
FY20	911	\$ 569,007
FY21	800	\$ 533,730
FY22	630	\$ 527,404
FY23	643	\$ 535,039
FY24	760	\$ 584,876
FY25	605	\$ 563,096
FY26	205 (incomplete data)	\$ 211,906
<b>Total</b>		<b>\$ 9,561,294</b>

