

Property Tax Credits

PRESENTED TO THE PRINCE GEORGE'S COUNTY
TAX CREDIT REFORM COMMISSION

APRIL 23, 2018





Tax Credits Granted in FY18

(1) Enterprise Zone Tax Credit. The County is reimbursed by the State for ½ of the amount of tax credits granted (\$3,467,309). Therefore, the total cost to the County for FY18 is \$1,733,655.

Homestead Tax Credit	\$51,559,064
Homeowners Tax Credit	\$7,274,096
Revitalization Tax Credit - Enterprise Zone (1)	\$1,733,655
Revitalization Tax Credit - County Commercial	\$618,768
High Performance Building Tax Credit	\$312,351
Brownfield Tax Credit	\$276,941
Disabled Veterans - Retro	\$268,405
Alternative Energy Tax Credit	\$250,000
Religious Organization Leased Building	\$196,907
Renters Tax Credit	\$157,107
Airpark Tax Credit	\$65,050
Swim Club Tax Credit	\$47,458
Green Business Tax Credit	\$47,250
Historic Preservation Tax Credit	\$35,725
Agricultural Land Tax Credit	\$22,952
Revitalization Tax Credit - County Residential	\$18,080
Boys and Girls Club Tax Credit	\$14,840
Fallen Officer Tax Credit	\$14,258
Lake Arbor Foundation Tax Credit	\$14,218
Landfill Tax Credit (Rebate)	\$9,462
High Tech Tax Credit	\$3,543
Municipal Leased Property Tax Credit	\$2,732
New Jobs Tax Credit	\$2,730
Free State Riding Club Tax Credit	\$1,371
Tobacco Farm Tax Credit	\$635
Total	\$62,947,598



Tax Credits Granted in FY18 Business versus Residential

Business Tax Credits

Revitalization Tax Credit - Enterprise Zone	\$3,467,309
Revitalization Tax Credit - County Commercial	\$618,768
High Performance Building Tax Credit	\$312,351
Brownfield Tax Credit	\$276,941
Religious Organization Leased Building	\$196,907
Airpark Tax Credit	\$65,050
Swim Club Tax Credit	\$47,458
Green Business Tax Credit	\$47,250
Boys and Girls Club Tax Credit	\$14,840
Lake Arbor Foundation Tax Credit	\$14,218
High Tech Tax Credit	\$3,543
Municipal Leased Property Tax Credit	\$2,732
New Jobs Tax Credit	\$2,730
Free State Riding Club Tax Credit	\$1,371
Tobacco Farm Tax Credit	\$635
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Total	\$5,072,103

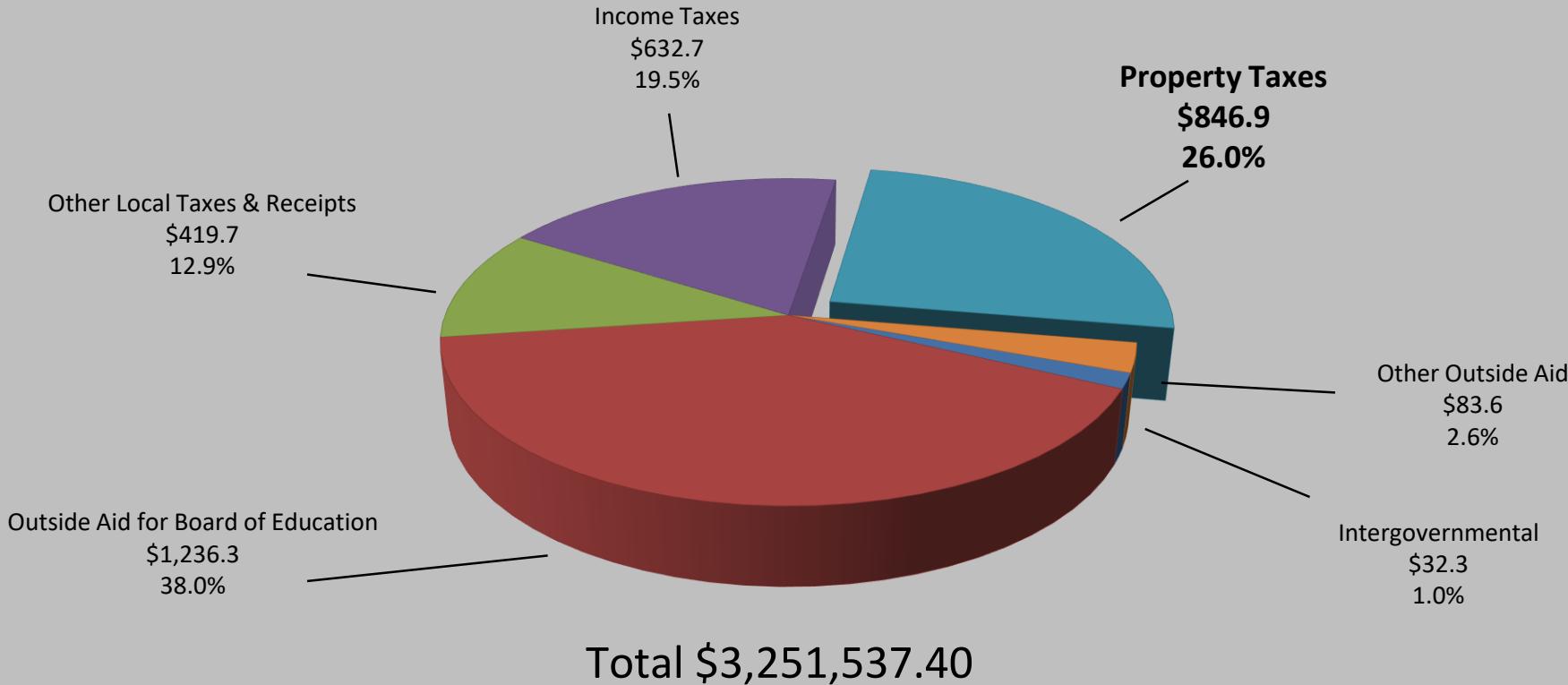
Residential Tax Credits

Homestead Tax Credit	\$51,559,064
Homeowners Tax Credit	\$7,274,096
Disabled Veterans - Retro	\$268,405
Alternative Energy Tax Credit	\$250,000
Renters Tax Credit	\$157,107
Historic Preservation Tax Credit	\$35,725
Agricultural Land Tax Credit	\$22,952
Revitalization Tax Credit - County Residential	\$18,080
Fallen Officer Tax Credit	\$14,258
Landfill Tax Credit (Rebate)	\$9,462
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Total	\$59,609,149



General Fund Revenues for Fiscal Year 2018

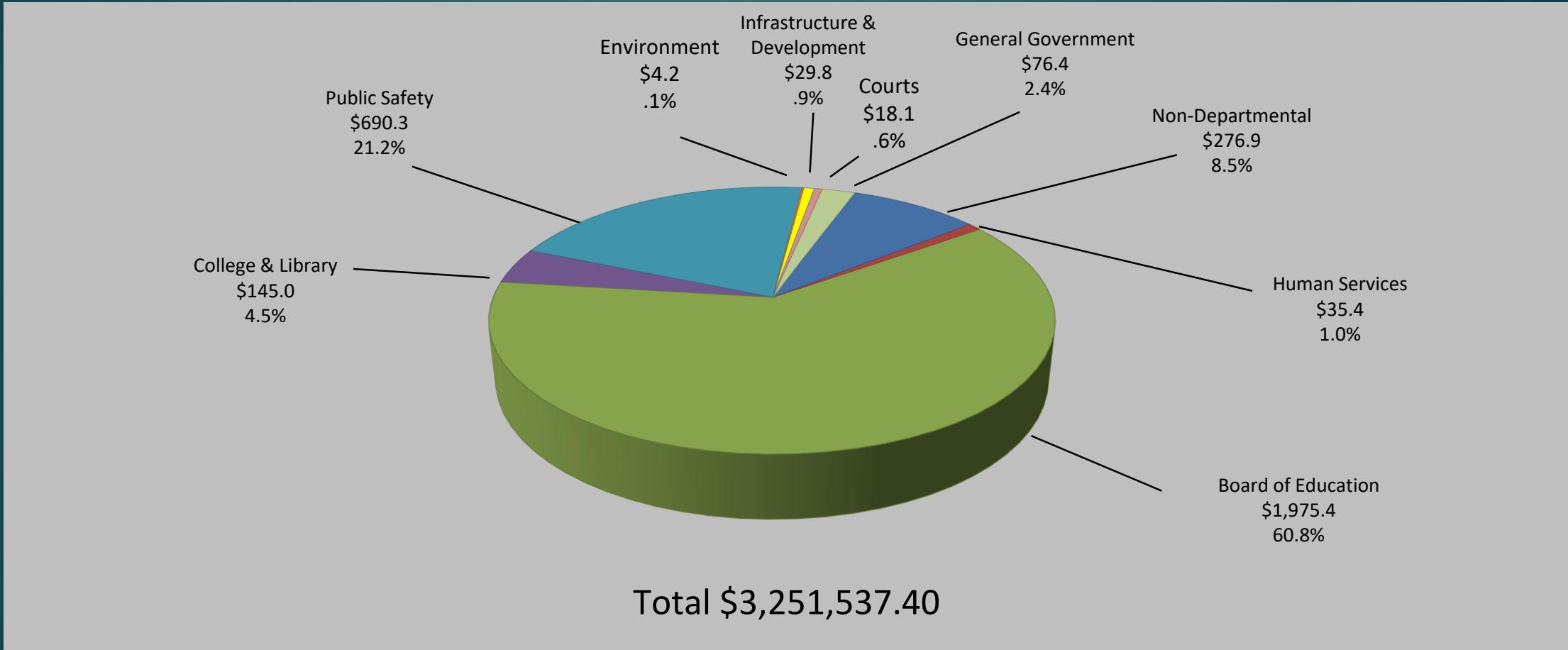
(\$ in millions)





General Fund Expenditures for Fiscal Year 2018

(\$ in millions)





Unused Tax Credits

County Enabling
Legislation

Accessibility Features

Accessibility feature installed on residential property; must be principal residence; feature must be valued at over \$500. 50% of eligible costs up to \$2,500. May be carried over and/or transferred.

CB-7-2015

Arts & Entertainment District

Property tax credit against the county or municipal corporation property tax imposed on a manufacturing, commercial, or industrial building that: (1) is located in an arts and entertainment district; and (2) is wholly or partially constructed or renovated to be used by a qualifying residing artist or an arts and entertainment enterprise. Hyattsville, Mount Rainier, Brentwood, and North Brentwood. Municipal corporations. 5 year credit (100%, 80%, 60%, 40%, 20%).

CB-10-2010

Business Incubator

Property that is used as the premises for a publicly supported business incubator program in which units of space are leased by multiple early-stage businesses that share physical common space, administrative services and equipment, business management training, mentoring, and technical support. 5 year credit (100%, 80%, 60%, 40%, 20%). Cannot exceed \$250,000.

CB-52-2008

Conservation Land

Real property that is subject to a perpetual conservation easement donated to a land trust or the Maryland Environmental Trust on or after July 1, 1991.

CB-101-1998

Grocery Store

Primary business is selling food at retail to the general public for off-site consumption; and at least 20% of the gross receipts are derived from the sale of fresh produce, meats, and dairy. Must be located in an economically disadvantaged or underserved area.

CB-18-2014

Urban Agriculture

Urban agricultural property larger than 1/8 of an acre and less than 5 acres; zoned agricultural; not used for any other for-profit reason that would subject the parcel to property tax liability; must produce agricultural products valued at \$2,500 or more per tax year (unless a waiver is granted)

CB-74-2015



Tax Credits – Considerations

Homeowners Tax Credit and Renters Tax Credit

Administered by the State. Annual application. Census and American Community Survey data suggests that there may be many County residents who qualify for these tax credits; yet are not taking advantage of the credit.

Alternative Energy Tax Credit (CB-11-2008)

Cap is \$5,000; funding limit is \$250,000 per year. Since 2010 (2nd year of implementation), the maximum annual credits allowed have been provided and a waiting list has developed. The current waiting list extends to FY2028.

Montgomery County – suspended program in 2011

Baltimore County – current program waiting list until 2024

Howard County – suspended program 2012

Anne Arundel County – credit up to \$2,500



Tax Credits – Considerations

Homestead Tax Credit

One-time application. Administered by the State.

When property assessments increase significantly, this credit helps to offset the increase in taxes associated with the increased assessment by limiting the dollar value of the assessment that is used to calculate the taxes due. In other words, the homeowner pays no property tax on the market value increase which is above the limit. The State limit is 10%.

Each county also provides a limit on taxable assessment increases. Prince George's County's limit is based on changes in the CPI. The limit for FY18 is 1%, for FY17 the limit was 0%, for FY16 the limit was 2%. The lower the limit, the higher the Homestead credit.

Montgomery County – 10%

Baltimore County/City – 4%

Howard County – 5%

Anne Arundel County – 2%

Calvert County – 10%



Tax Credits – Considerations

Business Tax Credits

The Revitalization and/or Enterprise Zone Tax Credit programs have a State and County component, and range from 5-10 years. Each year, the County is reimbursed by the State for half of the total amount of Enterprise Zone tax credits granted. This makes some of the other business tax credits less attractive (e.g. High Tech, Arts & Entertainment, Business Incubator, etc.).



Tax Credits

Questions?