




Howard County

Internal Memorandum

Subject: Testimony on Council Bill No. ____-2017; amending the Livable Homes Tax Credit

To: Lonnie R. Robbins
Chief Administrative Officer

From: Stanley Milesky, 
Director of the Department of Finance

Date: December 22, 2016

History of the Livable Homes Tax Credit

The Livable Homes Tax Credit was enacted in 2012 to provide a tax credit for the cost of installation of accessibility features in existing owner-occupied residences in Howard County. The tax credit is for 50% of the eligible costs up to a maximum of \$2500. In addition, there is an annual cap on total credits to be issued of \$100,000.

Since its inception, this credit has not been well utilized by the community. The following chart shows a history of credit utilization:

	FY14	FY15	FY16	FY17
Applications Received	6	5	16	0
Applications Approved	3	5	15	0
Amount of Credit Granted	\$ 7,495.00	\$ 11,147.00	\$ 32,332.00	\$ -

We have received 2 applications for FY18.

The credit has been most often used to remodel bathrooms, reinforce walls for installation of grab bars, and add a stair lift in the home. The most common reason for installing the feature is an occupant with a disability. Far less common is an aging occupant preparing for a future need suggesting that most people defer these changes until they are required.

Commission on Aging Recommendations

The Commission on Aging (CoA) submitted recommendations to the Office on Aging and Independence (OAI) to enhance the Livable Homes Tax Credit. Their suggestions including

expanding the program to cover more types of projects for the homeowner and making the credit more user friendly. Their goal was to enhance this tax credit for seniors in Howard County and to see more homeowners take advantage of this program.

The recommendations were reviewed by a team consisting of staff from the OAI, the Department of Finance and the Department of Inspections, Licenses and Permits and many were incorporated into this legislation.

Fiscal Impact

The annual cap on the Livable Homes Tax Credit is \$100,000. This legislation does not change that cap and as such the potential fiscal impact remains at \$100,000 per fiscal year, although actual costs may increase.