



Howard County

Internal Memorandum

Subject: Testimony and Fiscal Impact Statements
Amendments to Aging in Place and Senior Tax Credit

To: Brandee Ganz
Chief Administrative Officer

From: Rafiu O. Ighile *ROI*
Director of Finance

Date: August 21, 2025

The purpose of this legislation is to amend the current Aging - In - Place (AIP) Tax Credit and the Senior Tax Credit.

The proposed legislation would extend AIP for two (2) more additional years. This extension will assist mostly our aging population who have lived in their homes for 30 years or more and received this credit for the past eight (8) years. This credit has been in existence since calendar year 2017. The effect of this change is an extension of 2 years and further provides some relief during these uncertain economic times. This calendar year 2025 (FY 2026), the County has issued 5,113 AIP tax credits for a total of \$5.4 million credited. In CY 2024 (FY 2025), the County issued 5,896 for a total of \$5.8 million credited. The reason for the drop from CY 2024 in both number and amount is primarily due to those that became ineligible after the 8-year eligibility window closed.

Additionally, the proposed legislation would amend the Senior tax credit by increasing the net worth requirement of \$500,000 to \$800,000 due to inflationary considerations. Furthermore, beginning in Tax Year 2026, the maximum allowable net worth will be updated annually to account for inflation. The household income requirement for this tax is adjusted annually for CPI (See County Code Section 20.129) and is currently \$105,750, which would be unaffected by the proposed legislation. However, this legislation will provide additional relief for our seniors who have a fixed income at or below the aforementioned income threshold but their net worth exceeds \$500,000 due to other income considerations. Over the past four years, the County has issued 631, 760, 605, and 205 credits in FY 2023, FY 2024, FY 2025, and FY 2026 respectively. This credit cost the County \$534,374, \$582,932, \$562,420 and \$212,808 respectively.

Fiscal Impact

The fiscal impact for AIP with the extension will be adding approximately 1,300 residents who dropped off due to the expiration of the credit at a cost of over \$1.2 million in CY 2025 (FY 2026). This will bring the AIP tax credits issued to over \$6.6 million plus the pending applications that are still under review of about 300 applicants at a cost of approximately \$413,000, which will bring the total fiscal impact to over \$7 million in FY 2026. In CY 2026 (FY 2027) there will be approximately 700 new eligible applicants at a total cost of over \$960,000.

The fiscal impact for the Senior tax credit will mainly be the addition of eligible residents. We are estimating an additional cost of approximately \$400,000 - \$500,000 annually due to the addition of eligible residents.

Overall, these changes aim to provide greater financial stability and support for the senior population, ensuring they can continue to live comfortably in their homes.

Cc: Jennifer Sager