

Council Bill 59-2025 Fiscal Analysis

Introduced: September 2, 2025

Fiscal Manager: Owen Kahn

Legislative Intent: This legislation removes the duration limit of the Aging in Place Tax Credit.

ANALYSIS

Fiscal Impact:

<u>Tax Year 2025 Forgone Revenue Estimates¹:</u>			
	<u>Current Forgone Revenues²</u>	<u>CB 59 Change Estimates</u>	<u>CB 59 new total</u>
Aging in Place	(\$6.2 million)	(\$1.3 million)	(\$7.5 million)

This legislation would increase forgone property tax revenues by approximately \$1.3 million in tax year 2025.

This legislation removes the duration limit for the property tax credit for seniors and retired military personnel (“Aging in Place Tax Credit”). Currently, qualified residents can only receive the credit for eight 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 all 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. If they continue to meet other qualifications, recipients will not be phased out of the credit and forgone revenue will continue to increase in future tax years as more residents apply.

Budget Implications:

- The County has already [extended the credit duration once](#) (from five years to eight years). This legislation would eliminate the duration limit entirely.

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.

¹ Estimates based on data from Department of Finance.

² Estimates based on past tax credit data provided by the Department of Finance.

Aging in Place 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
Total		\$ 25,456,367

