

Home Improvement Property Tax Credit

Program Purpose and Description

The Home Improvement Property Tax Credit was designed to provide an incentive to qualifying property owners who have had improvements made to their dwellings which have increased their assessed values.

- The credit is a five year tax credit on the increase in the taxable assessments due to the improvements;
- The credit may not apply to the value of improvements to the dwelling that exceed \$100,000;
- The credit begins at 100% of the tax on the value of improvements to the dwelling in the first taxable year, and declines by 20% of that value each year for the next four years; and
- Once approved, the credit automatically renews for four years as long as the property remains in compliance with both the City Property Maintenance Code and the City Building, Fire, and Related Codes Article and the property owner continues to qualify for the credit.

Eligibility

To be eligible, the property must be a dwelling that is:

- A homeowner's principal residence for each year the credit is sought;
- Occupied or expected to be occupied by the homeowner for at least six of the twelve months of the tax year in which the credit is sought;
- Substantially improved since the last reassessment; and
- Reassessed at a higher value due to the improvements.

Notes

- The credit will not apply to any portion of assessment increase that exceeds \$100,000; and
- If ownership of the property is transferred; the purchaser is eligible for the remainder of the property tax credit in the same manner and under the same conditions as the grantor of the property.

Legal Reference

- *State enabling legislation* - Annotated Code of Maryland, Tax Property Article, Section 9-304 (e) (Chapter 617, 1994 Session).
- *Baltimore City Code*, Article 28-Taxes, Section 10-6 (Ord. 94-446; Ord. 02-475; Ord. 07-552; Ord. 15-427).

Contact

For more information about the Home Improvement Property Tax Credit, please contact:

City of Baltimore
Department of Finance
Fiscal Integrity Office
100 North Holliday Street
City Hall, Room 544
Baltimore, MD 21201
tax.credits@BaltimoreCity.gov

If you have any questions about the assessment value of the property, please contact:

State Department of Assessments & Taxation (SDAT)
6 Saint Paul Street, 11th Fl.
Baltimore, MD 21202
sdattax@maryland.gov
Phone: 410-767-8250
Fax: 410-333-4626

Application Process

Step 1. Owner should complete the application below and attach evidence of appropriate building permits (go to <http://www.baltimorehousing.org/permits> to download a building permit application or http://cels.baltimorehousing.org/Search_TM_MAP.aspx to print out a list of all building permits issued for your particular property which can be used to fulfill the requirements for this tax credit).

Step 2. Owner must secure assessment information substantiating the increased value (#8 on application) of the residential real property that is due to the improvements made to the property. The owner can obtain this information, in the form of an assessment worksheet, from SDAT.

Step 3. Owner should submit the completed application electronically, with all supporting documentation, to the Fiscal Integrity Office at the following email address:

tax.credits@BaltimoreCity.gov

Step 4. The Fiscal Integrity Office will review the application and contact the owner if any additional information is required.

City of Baltimore
Department of Finance
Fiscal Integrity Office
100 North Holliday Street
City Hall Room 544
Baltimore, MD 21202
Tax.Credits@BaltimoreCity.gov

TAX CREDIT APPLICATION FOR HOME IMPROVEMENTS

1. _____
Property Street Address

2. _____
Property Ref. No (Ward/Section/Block/Lot)

3. Owner Information:

_____ Name

_____ Address

_____ City, State, Zip

(H)_____ (W)_____ Telephone Numbers

4. Tax year for which credit is being sought: _____

5. Is this property your principal residence? ____ Yes ____ No

6. Do you own any other property in Baltimore City? ____ Yes ____ No

7. If property is a multiple dwelling structure, please indicate number of dwelling units and provide details on their current use:

8. Has the property for which the credit is sought been reassessed after the completion of improvements? If not, the credit application should not be submitted until the property is reassessed. If yes, please attach a copy of the Reassessment Notice and complete the following:

8A. Pre-Improvement Assessment Value: _____

8B. Post-Improvement Reassessment Value: _____

(PLEASE NOTE: The property owner bears the sole responsibility for determining when the property is reassessed with respect to the submission of this application and should contact the State Department of Assessments and Taxation at the number listed above to ensure timely reassessment. Applications must be submitted within one year of the first full year bill [issued on or about July 1st] issued on the new assessed value of the property following the completion of the improvements, and will not be accepted after that date.)

9. The law provides that all required Baltimore City building permits (Please see Step 1 of Application Process) must be obtained for the improvement in order to qualify for the credit. Accordingly, please attach evidence of the required permits (A list displaying the permit numbers and dates of all permits issued for the improvements in question shall suffice, and copies of the actual permits are not necessary.)

I declare under the penalties of perjury, that this application (including any accompanying forms and statements) has been examined by me and the information contained herein, to the best of my knowledge and belief, is true, correct, and complete; that I have a legal interest in this property; and that this dwelling will be my principal residence for the prescribed period.

Owner's Signature

Date

Owner's Signature

Date

For Official Use Only:

1. Assessment subject to credit: _____

2. Percent credit: ___ 100% ___ 80% ___ 60% ___ 40% ___ 20% ___ 0%

3. Net assess. Subject to Credit: _____

4. Tax rate: _____

5. Credit amount: _____

Code Violation: _____

Approved: _____

Fiscal Integrity Office

Date: _____