

RULES AND REGULATIONS - PROPERTY TAX CREDITS
PUBLIC SAFETY OFFICERS

1.0. **Background**

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 17-0074, effective December 4, 2017, and codified in Section 10-21 of Article 28 of the City Code, which provides for property tax credits on the homestead dwellings of qualified public safety officers; as authorized by Section 9-304(i) of the Tax-Property Article of the Maryland Code.

2.0. **Goal**

The goal of this tax credit is to provide real property tax credits to qualified public safety officers who have their principal residences within Baltimore City.

3.0. **Definitions**

The terms defined in Section 10-21 of Article 28 of the City Code have the definitions set forth in the statute and nothing contained herein shall be interpreted to alter those definitions.

4.0. **Applications**

4.1 For All Applications:

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the applicant's application being rejected. By applying for this credit, an applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

All applications shall be submitted electronically to the Baltimore City Department of Finance via the City's Tax Credit Application System, available at:

<https://propertytaxcredits.baltimorecity.gov>

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore's Department of Finance.

4.2 Initial Application Requirements

Prior to applying for this credit, a qualifying property must meet the requirements set forth in section 9-105 of the Tax-Property Article of the Maryland Code. It is highly recommended that the applicant review that section of the Code prior to applying for this credit. If a property does not meet these requirements at the time of application, the Baltimore City Tax Credit Application System will notify the applicant, but will allow them to proceed with the filing of the application. If the applicable eligibility requirements set out in Section 9-105 of the Tax-Property Article of the Maryland Code are not met by the property and reflected in the City's Real Property Tax System by May 15th, the application will be rejected and the applicant will be ineligible to receive the credit until July 1st of the following calendar year.

If the applicant is notified by the system that their property does not meet the requirements, they should review the requirements of Section 9-105 of the Tax-Property Article of the Maryland Code, available here:

<https://www.lexisnexis.com/hottopics/mdcode/>

If the applicant is still unsure of what requirement is not met, they should contact the Department of Finance at tax.credits@baltimorecity.gov or the Baltimore City office of the State Department of Assessments and Taxation at 410-767-8250.

An applicant is responsible for completing the application for this credit in its entirety and submitting said application and any required attachments via the Baltimore City Tax Credit Application System no later than April 1st of the calendar year in which the credit is initially sought.

Beginning on April 2nd, and ending no later than April 30th of the same calendar year, the applicant's agency-designated application reviewer (ADAR) shall review the application information presented to him or her by the Department of Finance. The ADAR shall return all decisions regarding the eligibility of credit applicants to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30th of the calendar year in which the credit is sought. The ADAR shall be solely responsible for the determination of an applicant's eligibility with respect to his or her employment in a full-time capacity by a qualifying agency as of the date of review, and all decisions of the ADAR shall be final.

4.3 Monthly Verification Requirements

Beginning on August 15th of the calendar year in which credits have been awarded, and recurring monthly on the 15th of each month up to and including the following July 15th, the ADAR shall be responsible for confirming, in writing, the continued eligibility, with respect to continued full-time sworn employment, of all of his or her agency's credit recipients. If, at any time, a credit recipient leaves

the employment of a qualifying public safety agency, the ADAR shall notify the Department of Finance within 30 days. The ADAR shall provide the Director of Finance, in writing, the Name, Address, and Date of Departure from Employment for the former employee.

4.4 Annual Verification Requirements

Once a credit has been initially granted, the applicant is responsible for annually completing the Annual Eligibility Verification (AEV) form and submitting the form and any required attachments no later than April 1st of the tax year for which the credit has been granted. The AEV form and details of the required documentation are available on the Baltimore City Tax Credit Application Website.

No sooner than April 2nd of the calendar year in which the renewed credit is sought, and no later than April 30th of that same year, the AEV forms and supporting documentation that were submitted in a timely manner shall be examined by the applicant's ADAR. The ADAR shall have sole responsibility for determining the applicant's status with respect to continuing employment eligibility for the credit and all decisions of the ADAR shall be final. The ADAR shall return all decisions regarding the continuing eligibility of credit recipients that have submitted AEV forms to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30th of the calendar year in which the credit sought is to be renewed.

5.0. Eligibility

5.1 Initial Eligibility

To be eligible to apply for this credit an applicant must meet the following criteria:

- 1) Be a qualifying Public Safety Officer, as defined by Section 10-21 to mean a firefighter, an emergency medical technician, or a law enforcement officer who is a sworn member of and employed full time by:
 - a. The Baltimore City Fire Department;
 - b. The Baltimore City Police Department; or
 - c. The Baltimore City Sheriff's Office.
- 2) Own a dwelling located in Baltimore City and use said dwelling as his or her principal residence; and
- 3) Be otherwise eligible in all respects for the tax credit authorized by the State Tax-Property Article, Section 9-105 ("Homestead Tax Credit").

While applicants are not required to apply for the Homestead Tax Credit authorized by Section 9-105 of the State Tax-Property Article, they are encouraged to do so and being approved for the Homestead Credit may speed the approval and processing of the Public Safety Tax Credit. Regardless of an applicant's Homestead Tax Credit Application status, applicants whose "homeowner indicator" status is an "N", as reflected on the Baltimore City Tax Credit Application website, are strongly encouraged to contact the State Department of Assessments and Taxation's Baltimore City Office at 410-767-8250 and request an update to that indicator as soon as possible. Failure to have the status of that indicator reflected as an "H" or a "D" by May 15th will prevent the application from proceeding and the property will not be eligible to receive the credit until July 1st of the following calendar year.

5.2 Determination of Eligibility

The applicant must follow the application procedures outlined in section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules and regulations, and apply during the specified application period.

Determinations regarding an applicant's eligibility relative to his or her employment will be the sole responsibility of the agency employing the applicant and must be processed in the manner prescribed by the Director of Finance or his or her designee in this matter. All such determinations will be final.

All determinations regarding an applicant's eligibility relative to his or her property will be the sole responsibility of the Department of Finance and shall be made using the most recent information available at the time the application is reviewed. All such determinations are final.

Any application that is rejected during the specified review period may not be resubmitted for that year. Any changes to the applicant's employment status or the status of his or her property may allow for reapplication in future years, but no further submissions for the year reviewed will be allowed after the April 1st deadline.

5.3 Continuing Eligibility

To continue to receive the credit the applicant shall be required to complete an AEV form and submit the form and any required attachments by April 1st of each year, as specified in subsection 4.3.

Additionally, continuing eligibility for the credit shall be dependent upon the applicant:

- 1) Continuing to serve in the capacity required by paragraph 5.1 (1); and
- 2) Continuing to use the property for which the credit was initially granted as the applicant's principal residence and continuing to ensure that the property qualifies in all respects for the Homestead Tax Credit as referenced in paragraph 5.1 (3).

Failure to comply with any of these requirements shall result in the non-renewal of the tax credit herein provided.

Additionally, if at any time during a tax year for which the credit was granted the applicant ceases to serve as a qualifying Public Safety Officer as specified in paragraph 5.1 (1):

- 1) The tax credit for that year shall be immediately terminated; and
- 2) The applicant shall be liable for all property taxes that would have been due for that tax year had the credit not been granted, payable within 30 days of the date billed.

It shall be the responsibility of the ADARs within each of the qualifying agencies to inform the Department of Finance when a Public Safety Tax Credit recipient, as verified by their agency prior to the award of said credit, ceases to be employed by the qualifying agency. Failure to inform the Department of Finance of the credit recipient's change in employment status in a timely manner will be viewed as a false statement by omission with respect to Section 8.0 of these rules and regulations.

5.4 Limitations on Eligibility for Other Tax Credits

In any taxable year in which a property receives a credit granted under Section 10-21, the property may not receive any other property tax credit provided by the City of Baltimore, except:

- 1) The local portion of the credit authorized by State Tax-Property Article Section 9-105 ("Homestead Tax Credit"); and
- 2) The credit authorized by State Tax-Property Article Section 9-221 ("Offsetting Income Tax Rates").

5.5 Transferability of Credit

The credit granted under Section 10-21 is not transferable between property owners and cannot be transferred between properties by a property owner.

6.0 Term of Credit, Commencement of Credit Term, Expiration of Credit Term

6.1 Credit Term Generally

Provided that the requirements of Section 5.3 of these rules and regulations are met, the credit granted under Section 10-21 continues from year to year for an indefinite term and is applicable to all taxable years beginning on or after July 1, 2018.

6.2 Commencement of Credit Term

Any qualifying applicant's credit will begin with the tax year that begins on the first July 1 occurring at least 90 days after the initial application is submitted, provided that such application is submitted no later than June 30, 2028.

6.3 Expiration of Credit Term

Such credit shall continue from year to year unless and until any of the following occur:

- 1) The qualifying Public Safety Officer fails to submit an annual verification form and any required attachments by April 1st of the calendar year in which the credit is sought;
- 2) The qualifying Public Safety Officer ceases to use the qualified Homestead Dwelling on which he or she has been receiving a credit as his or her principal residence; or
- 3) The qualifying Public Safety Officer ceases to be eligible as provided in Section 10-21.

Should a qualifying Public Safety Officer qualify for a credit granted under Section 10-21 at any time after having had a previous credit granted under that section expire, the qualifying Public Safety Officer must submit a new application prior to the deadline specified in section 6.2 of these rules and regulations.

7.0 Calculation of the Credit

A credit granted under Section 10-21 is applied only to the Baltimore City Real Property Taxes on the Homestead Dwelling of the qualifying Public Safety Officer. The tax credit in any given year shall be equal to the lesser of:

- 1) \$2,500; and
- 2) The amount of City Real Property Tax remaining on the dwelling after the application of any credit amount under Section 9-105 of the Tax-Property Article of the Maryland Code (Homestead Tax Credit).

Under no circumstances shall any amount of the credit granted by Section 10-21 be applied to any State Real Property Tax amount, any Special Benefit District Tax amount, or any other tax amount that is anything other than Baltimore City Real Property Taxes.

8.0 Fraudulent Applications

Any tax credit applicant, recipient, or reviewer (ADAR) who knowingly makes a false statement on or in connection with an application for the credit granted under Section 10-21 shall be subject to the criminal penalties for such activity contained therein.

These rules and regulations become effective 1/12/18 and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:



Henry Raymond, Director
Department of Finance

1/11/18

Date



Hilary Raley, Chief Solicitor
Law Department

1/11/18

Date



Avery Aisenstark, Director
Legislative Reference

1/12/18

Date