

Mayor & City Council of Baltimore

Department of Finance

RULES AND REGULATIONS

Fallen Heroes Tax Credit Program

Bureau of Treasury Management
Abel Wolman Municipal Building
200 North Holliday Street

Room 3
Baltimore, Maryland 21202

April 2005

Department of Finance

Fallen Hero Tax Credit Rules and Regulations

Authority: Annotated Code of Maryland Tax- Property Article § 9-210; Baltimore City Code, 2000 Edition as amended Article 28, Subtitle 10, § 10-15 (Ordinance 04-664 effective March 31, 2004).

1. Definitions.

A. The following terms have the meanings indicated.

B. Terms Defined.

(1) "Director" means the Director of Finance or designee.

(2) "Dwelling":

(a) Means real property that is the legal residence of a surviving spouse and occupied by not more than two families; and

(b) Includes the lot or curtilage and structures necessary to use the real property as a residence.

(3) "Extent of the previous credit" means the lower of 100% of the tax bill or the dollar amount of the credit applicable to the surviving spouse's first qualifying dwelling.

(4) "Fallen hero" means an individual determined by the Fire and Police Employee's Retirement System of the City of Baltimore or the actuarially funded Police and fire retirement system to have died in the line of duty pursuant to applicable Provision of the Baltimore City Code. Fallen Heroes include law enforcement officers and fire, rescue, or emergency medical service workers as defined herein.

(5) "Law enforcement officer" means a sworn officer of the Baltimore City Police Department.

(6) "Fire, Rescue or Emergency medical service worker means a sworn officer of the Baltimore City Fire Department.

(7) "Surviving Spouse":

(a) Means the surviving spouse of a fallen hero; and

(b) Does not include an individual who has remarried after the death of the fallen hero.

2. Tax Credit.

A. Granted.

The City shall grant a tax credit against the Baltimore City real property tax imposed on a dwelling that is owned by the surviving spouse of a fallen hero:

(1) If the dwelling was owned by the fallen hero at the time of his/her death

- (2) If the fallen hero or the surviving spouse was domiciled in the state of Maryland as of the date of death of the fallen hero and the dwelling was acquired by the surviving spouse within 2 years of the death the fallen law hero; or
- (3) If the dwelling was acquired after the surviving spouse qualified for a credit for a former dwelling under §A (1) or §A (2) of this regulation, up to the extent of the previous credit.

B. Amount of credit.

- (1) The property tax credit shall equal 100% of the Baltimore City real property tax for the dwelling under §A (1) or §A (2) of this regulation.
- (2) The amount of the credit for dwellings under §A (3) of this regulation is limited to the lower of 100% of the Baltimore City real property tax or final credit amount granted to a former Baltimore City dwelling under §A (1) or §A (2) of this regulation.

C. May not be combined.

- (1) The property tax credit granted under this regulation may not be combined with any other tax credit or payment in lieu of taxes applicable to the dwelling.
- (2) A dwelling owned by a surviving spouse granted a property tax credit under this regulation is not eligible for any other Baltimore City real property tax credit.

D. Eligibility.

A Surviving spouse is eligible for the tax credit:

- (1) in the first taxable year after the date of the death of the fallen hero or;
- (2) if the death of the fallen hero occurred on or before June 30, 2003 for tax years beginning after June 30, 2003.

E. Non-lapsing.

- (1) The property tax credit continues from year to year without further application by the surviving spouse provided that the surviving spouse continues to meet the provisions of law determining eligibility and completes the Annual Statement of Eligibility
- (2) If requested by the Director, the surviving spouse shall provide additional evidence of eligibility.

APPROVED: _____
Director of Finance
DATE: 2/1/03
FILED WITH DEPARTMENT OF LEGISLATIVE REFERENCE
DATE: 2/1/03

3. Administration.

A. Application

- (1) A surviving spouse shall apply to the Director for the tax credit on or before September 30 in the taxable year for which the credit is requested to begin.
- (2) Application forms may be obtained from the Collection Division's accounting office at:

Abel Wolman Municipal Building
200 North Holliday Street
Baltimore, MD 21202
Accounting Office, Room 3
(410) 396-3972

- (3) A copy of the marriage and death certificate shall accompany the application.
- (4) The applicant shall provide evidence that:
 - (a) The dwelling was owned by the fallen hero; or
 - (b) The fallen hero or surviving spouse was domiciled in Maryland as of the date of death and the surviving spouse acquired the dwelling within 2 years of the death the fallen hero.

B. Certification

- (1) Upon receipt of the application, the Director shall forward the application to the Board of Trustees of the Fire and Police Employees' Retirement System for certification that the death was a line-of-duty death as provided for in applicable provisions of the Baltimore City Code.

C. Director to grant or deny application

- (1) The Director shall make his/her best effort to grant or deny the application for the credit within 45 days after receipt of the application.

D. Continuing eligibility

- (1) On or before April 1 of each year, the Director shall forward to each credit recipient a form to verify continued eligibility in the following tax year.
- (2) The credit recipient shall return the form by June 1 of the same year to have the credit applied to the tax bill issued July 1.

APPROVED: _____

Director of Finance

DATE

5/2/05

FILED WITH DEPARTMENT OF LEGISLATIVE REFERENCE

DATE

5/2/05

Homestead Property Tax Credit

Program Purpose and Description

This program was designed to limit the amount of the annual increase in taxable assessments for eligible owner occupied properties. The program dates back to the late 1970's, a period of rapid escalation in property values. State law requires each Maryland local government to establish a limit on how much owner occupied residential taxable assessments may increase each year. The program protects homeowners from increases in taxable assessment above the level established by local law, or 10%, if no local action is taken. In the early 1990's, the City established the annual cap at 4% and it continues to be set at 4% today. The credit is applied against the taxes due on the portion of the reassessment exceeding the 4% homestead cap. Refer to example on next page for further explanation.

Application Process:

This credit requires no application process and is applied directly to the property owner's tax bill.

Contact:

Mary Ann Uhl, Supervisor
Collections Division Customer Service Section
410-361-9057
Mary.uhl@baltimorecity.gov

Legal Reference

- State legislation - Annotated Code of Maryland, Tax Property Article, Section 9-105 (2004, Chapter. 43, § 1; Chapter 501).
- Baltimore City Code, Article 28-Taxes, Section 10-1 (Ordinance 92-156).

Historic Restoration and Rehabilitation Property Tax Credit

Program Purpose and Description:

This program was designed to encourage preservation and investment in historic properties.

This is a 10-year program, with the credit granted on the increased value of a historic property due solely to the qualified historic improvements. The assessment subject to the credit is computed once and used for the entire term of the credit. For projects with construction cost less than \$3.5 million the credit is 100%.

Please Note: For projects with construction costs more than \$3.5 million the credit provides 80% tax relief in the first 5 taxable years and declines by 10 percentage points annually thereafter to 30% in the 10th year.

Column	Assessment Before Improvement (1)	Assessment After Improvement (2)	Difference in Assessment (3) (2) - (1)	Credit % (4)	Amount Eligible for Credit (5) (3) * (4)	City Tax Rate * (6)	Credit Amount (7) (5) * (6)
Calculation							
Year 1	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 2	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 3	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 4	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 5	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 6	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 7	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 8	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 9	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 10	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00

* Assumes no tax rate change during the five year credit period.

Sunset Provision:

Applications for this credit shall not be accepted after March 1, 2007 unless legislation is passed to extend the program.

Application Process:

Please visit <http://www.baltimorecity.gov/government/historic/taxcredit.html> for information procedures and application materials.

Contacts:

Kathleen Kotarba, Director

Commission for Historical and Architectural Preservation (CHAP)

410-396-7526

Kathleen.kotarba@baltimorecity.gov

Paula Buchanan, Office Assistant III

Accounting Section

443-984-3497

Paula.Buchanan@baltimorecity.gov

Hattie Scott, Assistant Supervisor

Accounting Section

443-984-3498

Hattie.Scott@baltimorecity.gov

Janice Simmons, Manager

Collections Division

410-396-3961

Janice.Simmons@baltimorecity.gov

Legal Reference:

- State enabling legislation – Annotated Code of Maryland, Tax Property Article, Section 9-204.1 (Chapter 657, 1995 Session).
- Baltimore City Code, Article 28-Taxes, Section 10-8 (ordinance No. 668, effective January 3, 1996, as amended by Ordinance 1976/83, effective September 4, 1997, 99-416, effective May 26, 1999, Ordinance 00-103, and Ordinance 02-475, Ordinance 06-184).

Fallen Hero Tax Credit

Program Purpose and Description

This program was designed to provide property tax relief to the surviving spouse¹ of a "Fallen Hero", an individual determined by the Fire and Police Employee's Retirement Systems to have died in the line of duty pursuant to applicable provisions of the City Code.

The amount of the tax credit granted is 100% of the City property tax imposed on the dwelling. The credit continues from year to year, with determination of continuing eligibility of the surviving spouse (see step 4 of the application process). The property tax credit granted under this regulation may not be combined with any other tax credit or payment in lieu of taxes applicable to the dwelling.

Legal Reference

- State enabling legislation – Annotated Code of Maryland, Tax Property Article, Section 9-210 (Chapter 489, 2002 Session).
- Baltimore City Code, Article 28-Taxes, Section 10-15 (Ordinance No. 04-664).

Contacts:

Paula Buchanan, Office Assistant III
Accounting Section
443-984-3497
Paula.Buchanan@baltimorecity.gov

Hattie Scott, Assistant Supervisor
Accounting Section
443-984-3498
Hattie.Scott@baltimorecity.gov

Janice Simmons, Manager
Collections Division
410-396-3961
Janice.Simmons@baltimorecity.gov

¹ The surviving spouse does not include an individual who has remarried after the death of the "Fallen Hero."

Application Process:

Step 1: A surviving spouse shall apply to the Director for the tax credit on or before September 30 in the taxable year for which the credit is requested to begin. For example, in order to receive the credit for the year 2006, the application must be submitted by September 1, 2006.

Step 2: The applicant shall return the application form with the following supporting documentation:

- A copy of the marriage and death certificate and
- Proof that the dwelling was owned by the fallen hero or proof that the fallen hero or surviving spouse was domiciled in Maryland as of the date of death and the surviving spouse acquired the dwelling within 2 years of the death of the fallen hero.

Applications are to be returned to the following address:

Abel Wolman Municipal Building

200 North Holliday Street

Baltimore, MD 21202

Accounting Office, Room 3

(410) 396-3972

Step 3: Within 45 days after receipt of the application, the Director shall grant or deny the application for the credit and notify the applicant.

Step 4: On or before April 1 of each year, the Director shall forward to each credit recipient a form to verify continued eligibility in the following tax year. The credit recipient shall return the form by June 1 of the same year to have the credit applied to the tax bill issued July 1.

CITY OF BALTIMORE
COLLECTION DIVISION
DEPARTMENT OF FINANCE
ROOM 3, MUNICIPAL BUILDING
200 NORTH HOLLIDAY STREET
BALTIMORE, MARYLAND 21202
(410) 396-3972 FAX: (410) 545-7620

TAX CREDIT APPLICATION FOR FALLEN HEROES

"FALLEN HERO" MEANS AN INDIVIDUAL DETERMINED BY THE FIRE AND POLICE EMPLOYEE'S RETIREMENT SYSTEM OF THE CITY OF BALTIMORE OR THE NON-ACTUARIALLY FUNDED POLICE AND FIRE RETIREMENT SYSTEM TO HAVE DIED IN THE LINE OF DUTY.

1. Date of Application: _____
2. Name of Fallen Hero: _____
3. Date of Death: _____
4. Type: Police _____ Fire _____ 5. Approximate dates of Service: _____
6. Name of Applicant/ Surviving Spouse: _____
7. Home Address: _____
8. Day Phone Number: _____
9. Is this dwelling the legal residence of the surviving spouse? YES NO
(A "NO" ANSWER PROHIBITS GRANTING THIS CREDIT UNDER STATE LAW)
10. Is this dwelling occupied by more than two families? YES NO
(A "YES" ANSWER PROHIBITS GRANTING THIS CREDIT UNDER STATE LAW)
11. Has the surviving spouse remarried? YES NO
(A "YES" ANSWER PROHIBITS GRANTING THIS CREDIT UNDER STATE LAW)
12. How does the dwelling qualify for the credit? Please check one category.
 - A. The dwelling was owned by the fallen hero at the time of his or her death.
 - B. The dwelling was acquired within 2 years of the death of the fallen hero and the fallen hero or surviving spouse was domiciled in Maryland at the time of death. _____
 - C. The dwelling was acquired after the surviving spouse qualified for a credit for a former dwelling under categories 1 or 2 _____

I declare under penalty of perjury that all information above is true and correct.

Property Owner

Date

(For official use only: To be completed by Baltimore City Fire and Police Retirement System or ERS)

The death of the employee is certified as line-of duty: Yes _____ No _____

Retirement Agency Official Signature _____

Date _____

(For official use only: To be completed by Department of Finance)

Date application received: _____

Real Property Account Number _____

Current Year Baltimore City Real Property Tax \$ _____

Amount of Credit provided to a former dwelling under Category 1 or 2 \$ _____
Real Property Account Number of former dwelling _____

Net property tax credit for the current year: \$ _____

Department of Finance Approval _____

Date _____

The above account is to be credited to the account of the Government System of L.R.

The date of the employee is certified as the date of birth. Yes 20

Signature of Agency Official

This notice is only to be completed by Department of Finance

Date application received

Real Property Account Number

Amount for Baltimore City Real Property Tax

Amount of a lien provided as a result of a delinquent account of a

Real Property Account Number for a delinquent

Request for tax credit for the current year

Department of Finance Approval

Date