

Portable Homestead Tax Credit (Resident Retention)

Program Purpose and Description

Enacted in 2014, this tax credit program provides a real property tax credit to residents of Baltimore who have lived in Baltimore, received a Homestead Tax Credit for at least each of the last five (5) years, and relocate to a newly purchased dwelling in Baltimore City. The intent of the credit is to provide an incentive for existing City residents to remain in the City when they are considering relocating by offsetting the loss of the homestead credit that some City residents face when relocating.

Credit Value

Except as provided below, the credit is a fixed amount of \$4,000, to be allocated over a period of five tax years as follows:

- (i) \$1,000 in year 1;
- (ii) \$900 in year 2;
- (iii) \$800 in year 3;
- (iv) \$700 in year 4; and
- (v) \$600 in year 5.

For applications filed after October 1, 2015, the fixed amount of the credit is \$5,000 for a homeowner who purchases a dwelling located within a low or moderate income census tract, as designated from time to time by the U.S. Department of Housing and Urban Development and in which at least 51% of the persons living in the tract are in households earning 80% or less of the area median income. The \$5,000 credit is allocated over a period of five tax years as follows:

- (i) \$1,200 in year 1;
- (ii) \$1,110 in year 2;
- (iii) \$1,000 in year 3;
- (iv) \$900 in year 4; and
- (v) \$800 in year 5.

Legal Reference

State Legislation: Annotated Code of the Public General Laws of Maryland as amended, Tax Property Article, Title 9, Subtitle 3, Section 9-304, Subsection (g) (Chapter 623, Acts of the Maryland General Assembly of 2014).

City Code: Baltimore City Code – Unrevised Articles, Article 28 – Taxes, Subtitle 10 – Credits, Section 10-1.1 – Portable Homestead (Ordinance 14-303 of the Baltimore City Council).

Application

To apply, please read the rules and regulations for this credit, available at the link below, and apply at the Baltimore City Tax Credit System website. The URL for that site is available in the rules and regulations.

For an additional information, please contact:

Brian Berg, Senior Program Assessment Analyst

Baltimore City Department of Finance

Phone: 410-396-4762

E-Mail: Tax.Credits@baltimorecity.gov