
Montgomery County, Maryland

**TAX EXPENDITURE
REPORT**

**Property Tax Credits, Tax Deferral, and Tax
Exemptions**

Department of Finance



June 2015

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Introduction

This Tax Expenditure Report lists the major reductions to the County's property tax revenue stream pertaining to Tax Credits, Tax Deferral, and Tax Exemptions. Although the authority to extend these programs to eligible taxpayers is provided for in State Law, where applicable, County Law is listed as well.

The report lists each tax credit and tax deferral program separately and provides for a detailed description, legal reference that authorizes the County to issue the program, the effective date of each program, contact information, and fiscal impact showing the amount and, where possible, the number of recipients (i.e., property tax accounts). The annual impact is shown by levy year, which covers the period July 1st through June 30th. For example, levy year 2014 covers the period July 1, 2014 through June 30, 2015 (i.e., fiscal year 2015).

Note: Eligibility for the majority of credits is determined by the Maryland State Department of Assessments and Taxation (SDAT). Specifically, SDAT determines whether a property is a "principal residence" (i.e., owner-occupied) which makes the property eligible for the County's largest tax expenditures: (i) homestead credit, and (ii) local income tax offset credit. Moreover, the computation of many credits is performed by SDAT (e.g., homestead credit, homeowners property tax credit, senior credit), with only a minor portion of the credits computed by the Department of Finance, Treasury Division.

If you have any questions or comments regarding this document, please contact Mr. Michael J. Parent in the Department of Finance, Division of Treasury by phone at (240) 777-8931 or by email at michael.parent@montgomerycountymd.gov. You may also submit questions or comments in writing by addressing them to:

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Rockville, MD 20850

Supplemental Homeowner's Property Tax Credit

Description

The program provides tax credits for homeowners who qualify on the basis of their household income as compared to their property tax bill. The State Homeowner's Property Tax Credit (HOTC) program and its Montgomery County supplement are administered by SDAT and are granted to eligible homeowners of all ages. Even though the State HOTC is applied against all real property taxes (State, County, and Municipal), the County supplemental credit is applied only against the General County and Special Service Area real property taxes.

Although this credit does not require a separate application, taxpayers must apply for the State HOTC to be considered for the supplemental tax credit. Generally, applications must be made by September 1st to be applicable for that tax year, although taxpayers who are at least 70 years of age may submit retroactive applications for the current and 3 prior levy years at any time. Effective levy year 2005, Montgomery County enhanced the program by (1) doubling the maximum property assessment amount used for computing the tax to \$300,000, and (2) changing the income formula to allow for eligibility at a higher income level. Due to changes in the State HOTC credit program in levy year 2006, qualified retirement savings are now excluded from the maximum \$200,000 net worth requirement (this net worth requirement already excluded the value of the principal property).

Authority

Maryland Code: § 9-104 of the Tax – Property Article

Montgomery County Code, Chapter 52, Article I, Section 52-11A

Effective Date

February 1, 1986

Contact

SDAT in Baltimore, MD at (800) 944-7403

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	3,537,015	4,905
2013	3,655,435	4,989
2012	3,710,895	5,178
2011	3,614,486	5,199
2010	3,386,543	5,115
2009	1,985,796	2,980
2008	3,163,965	4,805
2007	2,929,265	4,822
2006	3,223,950	4,704
2005	4,541,533	5,121
2004	557,228	2,884
2003	484,764	2,511
2002	676,176	2,950

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2001	744,496	3,347
2000	857,139	3,769
1999	935,209	4,129

Note: Since SDAT does not provide the certified amount of Senior Credit (see next page) but includes it with the Supplemental Homeowner's Tax Credit, the amounts shown for 2007 - 2013 are estimates.

Senior Tax Credit

Description

The County introduced this property tax credit in levy year 2007 for eligible residents at least 70 years of age. This credit is calculated as 25 percent of the combined State Homeowners' Tax Credit and County Supplement. This credit, if applicable, is added to any available County Supplement and shown as one combined amount on the taxpayer's property tax bill. The Senior credit is applied against the General County and Special Service Area real property taxes. The Senior credit may be based on (1) the State credit (if the County Supplement is zero), (2) the County Supplement (if the State credit is zero), or (3) both the State credit and County Supplement. Although this credit does not require a separate application, taxpayers must apply for the State HOTC to be considered for the senior tax credit. Since the HOTC application requests information on the age of the applicant, SDAT can make the determination of eligibility for the Senior credit.

Authority

Maryland Code: § 9-245 of the Tax – Property Article

Montgomery County Code, Chapter 52, Article I, Section 52-11C

Effective Date

July 1, 2007

Contact

SDAT in Baltimore, MD at (800) 944-7403

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	523,007	2,901
2013	540,517	2,951
2012	548,733	3,063
2011	534,462	3,075
2010	500,757	3,025
2009	293,633	1,763
2008	467,845	2,842
2007	433,133	2,852

Note: Since SDAT does not provide the certified amount of Senior Credit but includes it with the Supplemental Homeowner's Tax Credit (see previous page), the amounts shown are estimated as 25% of the combined Supplement + Senior Credit for the estimated number of eligible recipients.

Homestead Property Tax Credit

Description

To assist homeowners with the fiscal impact from large assessment increases, the Homestead Property Tax Credit program limits the annual taxable assessment increase to a rate set annually by county resolution between 1% and 10%. The Homestead credit is applied against the General County and Special Service Area real property taxes. This program is administered by SDAT and applies only to owner-occupied residential dwellings. Note: this credit is not applicable in the first year following the purchase of a new home.

The State of Maryland, Montgomery County, and municipalities in Montgomery County (with the exception of the Town of Kensington which elected to set the rate at 5% effective LY 2006) use a 10% homestead credit which results in any annual assessment growth in excess of 10% to become a credit. For example, if the annual phase-in of assessment growth is 25%, the homestead credit will reflect 15% while the remaining 10% is reflected in taxable assessment growth that year. In addition to limiting annual growth in taxable assessments for homeowners, the homestead credit spreads out the assessment growth over a longer period of time resulting in a more stable revenue flow. Since the cumulative credit can be significant, some taxpayers may still observe growth in their taxable assessment during times of weak real estate market conditions as prior year growth is still being phased in.

Authority

Maryland Code: § 9-105 of the Tax – Property Article

Effective Date

1985

Contact

SDAT in Baltimore, MD at (410) 767-2165

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Rate</u>	<u>Recipients</u>
2014	962,007	10%	2,334
2013	894,907	10%	3,271
2012	2,463,384	10%	7,467
2011	6,904,893	10%	23,768
2010	46,094,294	10%	89,414
2009	134,723,816	10%	176,108
2008	213,955,975	10%	224,125
2007	193,582,619	10%	225,912
2006	135,429,775	10%	214,743
2005	80,437,096	10%	201,661
2004	37,467,835	10%	150,252
2003	13,208,869	10%	91,036
2002	2,669,665	10%	21,082
2001	1,179,837	10%	7,299
2000	240,542	10%	2,200

Property Tax Credit – Local Income Tax Offset

Description

The County may grant, by law, a credit against the county real property tax in order to offset, in whole or in part, increases in the county income tax revenues resulting from a county income tax rate in excess of 2.6%. This tax credit is available only to the owner of an owner occupied residential property (i.e., principal residence), as determined by SDAT. The County establishes the amount of a property tax credit under this section by Resolution for the next levy year. This credit – described as *County Property Tax Credit* on the property tax bill - is applied against the General County and Special Service Area real property taxes.

Note: The County's "piggyback" income tax was 60% of the Maryland income tax (effectively 3.00%) in tax year 1998, and changed to a 3.20% income tax rate based on Maryland Adjusted Gross Income (AGI) effective tax year 2004. Therefore, prior to tax year 2004, the credit could be based on income tax revenues resulting from a county "piggyback" income tax in excess of 50% of the Maryland income tax.

Authority

Maryland Code: § 9-221 of the Tax - Property Article

Effective Date

July 1, 1992

Contact

Montgomery County at (240) 777-0311

Fiscal Impact:

<u>Levy Year</u>	<u>Credit Amount (\$)</u>	<u>Recipients</u>	<u>Total Amount (\$)</u>
2014	692	243,913	168,787,213
2013	692	245,369	168,674,325
2012	692	245,022	168,379,383
2011	692	250,333	169,025,541
2010	692	243,766	168,686,072
2009	690	243,722	168,168,180
2008	579	245,761	142,295,619
2007	613	245,181	150,295,953
2006	221	243,196	53,746,316
2005	116	243,421	28,236,836
2004	0	0	0
2003	0	0	0
2002	0	0	0
2001	0	0	0
2000	0	0	0
1999	0	0	0
1998	50	222,456	11,122,800

Note: This credit was first provided to eligible recipients in levy year 1998.

Enterprise Zone Tax Credit

Description

This tax credit is designed to spur economic growth and is available to businesses that locate in designated areas of downtown Silver Spring, Takoma Park/Long Branch, Wheaton and Gaithersburg, and is applied against the General County and Special Service Area real property taxes (excluding Parking Lot District and Urban District taxes). This real property tax credit is available only for nonresidential properties located within the Enterprise Zones and is based on growth in property assessments. Under the Enterprise Zone law, personal property is not included. The “base year assessment” is the real property assessment for the year before any new construction or refurbishing is done. The credit is based on the increase in the assessment for each of the next 10 years compared to the base-year. The credit will be awarded on the actual taxes that result from the increase in assessment, using the following schedule:

Years 1 through 5:	Credit = 80% of assessment increase versus the base year
Year 6:	Credit = 70%
Year 7:	Credit = 60%
Year 8:	Credit = 50%
Year 9:	Credit = 40%
Year 10:	Credit = 30% (expires thereafter)

The State of Maryland grants a State income tax credit for businesses that locate in Enterprise Zones and is based on the number of new employees that a business hires in the Enterprise Zone.

In 2013 the County Council passed Bill 30-13 which enacted a tax credit for commercial property in the Burtonsville Crossroads Neighborhood Plan. No properties have applied for that credit to date.

Authority

Maryland Code: § 9-103 of the Tax – Property Article

Effective Date

1985

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	1,565,768	71
2013	1,546,171	71
2012	1,502,259	66
2011	1,588,492	78
2010	1,209,611	82
2009	1,992,053	84
2008	2,204,755	88
2007	2,059,801	85
2006	1,742,777	75
2005	1,752,704	83
2004	1,406,975	73
2003	532,275	51
2002	428,204	49
2001	354,503	44
2000	162,747	13
1999	95,750	15

Arts and Entertainment District Tax Credit

Description

This tax credit is available to a taxpayer against the County property tax imposed on a manufacturing, commercial, or industrial building that is located in an Arts and Entertainment District and is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise. This real property tax credit applies for 10 years, provided the building continues to be used by a qualifying residing artist or an arts and entertainment enterprise, and is applied against the General County and Special Service Area real property taxes (excluding Parking Lot District and Urban District taxes). The tax credit is based on growth in property assessments. The “base year assessment” is the real property assessment for the year before any renovation is done. The credit is based on the increase in the assessment for each of the next 10 years compared to the base year assessment. The credit itself will be given on the actual taxes that result from the increase in assessment. Except for properties allowed an Enterprise Zone Tax Credit, the amount of the Arts and Entertainment District Tax Credit shall be calculated as follows:

- Years 1 through 5: Credit = 80% of the assessment increase versus the base year.
- Year 6: Credit = 70%
- Year 7: Credit = 60%
- Year 8: Credit = 50%
- Year 9: Credit = 40%
- Year 10: Credit = 30% (expires thereafter)

For properties allowed an Enterprise Zone Tax Credit, the amount of the Arts and Entertainment Tax Credit is 20% as calculated above, added to the Enterprise Zone Credit.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18L

Effective Date

2002

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	1,796	3
2013	1,340	3
2012	1,495	3
2011	1,600	3
2010	3,806	4
2009	4,429	4
2008	4,341	4
2007	4,185	4
2006	3,740	4
2002 to 2005	0	0

New Jobs Tax Credit

Description

This program consists of the New Jobs Tax Credit and the Enhanced New Jobs Tax Credit, and benefits businesses that are planning to increase both their space and staff. A business seeking either credit must notify the County of its intent to claim the credit *before* the expansion. This credit is applied against the General County and Special Service Area real property taxes.

New Jobs Tax Credit

This is a six-year credit available to businesses that increase their space by at least 5,000 square feet and their employee count by at least 25 new jobs. Businesses that are already resident in the County or that are moving from outside of Maryland are eligible to apply. The credit is not available to businesses that move to Montgomery County from another Maryland county or Baltimore City, and it is not available to retailers. The 25 new jobs must be permanent full-time positions and must last for at least 24 months. The new space must be occupied during the period the business retains the 25 new employees. The credit is based on the increase in both real and personal property tax assessments resulting from the business's expansion. The credit decreases over six years, as follows:

Years 1 and 2: Credit = 52% of tax attributable to the assessment increase

Years 3 and 4: Credit = 39%

Years 5 and 6: Credit = 26%

New Jobs Tax Credit recipients receive an additional State of Maryland tax credit which uses the same calculation method. However, the State credit is given against one of the following taxes and requires that recipients file Form 500CR with their State of Maryland Income Tax return:

- Corporate or personal income taxes
- Financial institutions franchise tax
- Insurance premiums tax

Enhanced New Jobs Tax Credit

This 12-year credit benefits large expansion projects and is available when businesses either:

1. Increase their space by at least 250,000 square feet, and *either* (A) create 1,250 new permanent, full-time positions *or* (B) create 500 new permanent, full-time positions in addition to retaining at least 2,500 existing permanent, full-time positions, **OR**
2. Expend at least \$150 million to obtain at least 700,000 square feet of new space and employ at least 1,100 individuals, with at least 500 being in new, permanent, full-time positions.

To qualify for the Enhanced New Jobs Tax Credit, a business must pay all these employees at least 150% of the federal minimum wage and it must be engaged in one of the following industries:

- Manufacturing, mining, transportation, communications, agriculture, forestry or fishing
- Research, development, testing or biotechnology
- Computer programming, data processing, or other computer-related services
- Central financial, real estate, or insurance services
- Operation of central administrative offices or a company headquarters
- Public utility, warehousing, or business services

A business has six years from the notification date to create and fill the required number of new jobs and acquire and inhabit the new space. When this is accomplished and the business files a completed application, the business will begin receiving the credit. The Enhanced Tax Credit, like the regular New Jobs Tax Credit, is given against the local real and personal property tax and is based on the amount of additional taxes due as a result of the expansion. Unlike the regular New Jobs Tax Credit, however, the Enhanced Tax Credit is calculated at the same rate for all 12 years. The rate is 58.5% of the additional local tax liability.

The State also will give a credit based on this additional local tax liability. The State credit is 31.5% for each of the 12 years and is given against the same State taxes as the regular New Jobs Tax Credit (corporate or personal income taxes, the financial institutions franchise tax, or the insurance premiums tax). Both the regular and enhanced State tax credits allow a business to “roll” the credit for up to five years. This means that if the State tax credit is higher than the amount of taxes due in any given year, the business can claim the difference for up to five years. Both tax credits also contain a “recapture” provision that requires a business to repay the credits if they fail to maintain the job and space requirements for three years. This provision is applicable to each individual year, so that if a business maintains the requirements for 14 years, it will have to repay only the last year of the credit.

Authority

Montgomery County Code, Chapter 52, Article X

Effective Date

July 1, 1998

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	1,284,939	2
2013	1,379,483	2
2012	1,391,761	2
2011	1,344,424	2
2010	1,342,339	2
2009	1,449,507	5
2008	1,444,926	8
2007	2,479,151	10
2006	2,501,136	14
2005	2,743,060	14
2004	2,911,520	14
2003	2,465,987	12
2002	863,011	6
2001	109,749	2
2000	35,220	1
1999	30,137	1

Brownfields Property Tax Credit

Description

The County must allow a tax credit of 50% of the increased property tax (i.e., the increase in the property tax levied on a Qualified Brownfields Site resulting from an increased assessment due to a voluntary cleanup or a corrective action plan for the Site) for a Qualified Brownfields Site, for each of the 5 tax years immediately following the first revaluation of a Qualified Brownfields Site after completion of a voluntary cleanup or corrective action plan. The County must allow a credit equal to an additional 20% of the increased property tax for a Qualified Brownfields Site, if the site is either in an Enterprise Zone or in a neighborhood designated by the County Council for participation in the Neighborhood Business Development Program under state law.

This credit is applied against the General County and Special Service Area real property taxes (note: there is also a state credit applied against the state real property tax). A recipient of the tax credit under this article is no longer eligible if the recipient withdraws from the voluntary cleanup program under Section 7-512(A) or (B) of the Environment Article of the Maryland Code; or the Maryland Department of the Environment withdraws approval of a Response Action Plan or a Certificate of Completion under Section 7-512(E) and (F) of the Environment Article of the Maryland Code.

Authority

Montgomery County Code, Chapter 52, Article XI

Effective Date

July 1, 1998

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	1,583,687	102
2013	1,545,176	103
2012	1,047,656	102
2011	151,803	65
2010	144,293	65
2009	0	0
2008	405,077	2
2007	514,497	3
2006	475,447	3
2005	450,075	3
2004	389,450	3
2003	134,871	1
2002	0	0
2001	0	0
2000	0	0
1999	0	0

Note: In 2010 and 2011, the credit was approved for a large number of condominiums.

Conservation Land Tax Credit

Description

Conservation land is defined as real property that is used to assist in the preservation of a natural area, used for the environmental education of the public, used to promote conservation generally, or used as a sanctuary for wildlife. Conservation land is subject to a perpetual conservation easement donated to a land trust on or after July 1, 1991; or acquired by a land trust by July 1, 1991, owned in fee by that land trust; and subject to a letter of intent, agreement, or option agreement to convey the property to a government agency. The owner of conservation land may receive a tax credit equaling 100% of any county real property tax imposed on the conservation land, not including any improvements. This credit is applied against the General County and Special Service Area real property taxes.

Authority

Maryland Code: § 9-220 of the Tax – Property Article

Montgomery County Code, Chapter 52, Article IX

Effective Date

July 1, 1991

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	719	3
2013	728	3
2012	715	3
2011	684	3
2010	653	3
2009	1,215	3
2008	994	3
2007	2,171	3
2006	1,703	3
2005	1,372	3
2004	1,233	4
2003	1,194	4
2002	1,194	4
2001	1,196	4
2000	887	3
1999	887	3
1998	896	3

Historic Preservation Tax Credit

Description

This tax credit may be granted against the County real property tax, based upon the amount expended by a taxpayer for restoration or preservation of a historic property. A property must be a historic site designated on the master plan for historic preservation, or within a historic district designated on the master plan for historic preservation. A tax credit will be allowed only for work which is either the subject of an approved historic area work permit or for ordinary maintenance expenses when the amount expended exceeds \$1,000. A credit will be approved for exterior work only and no credit shall be granted for new construction.

In order to become eligible for this credit, a property owner must submit an application to the appropriate historic preservation commission in their district (City of Gaithersburg, City of Rockville, or Maryland-National Capital Park & Planning Commission (M-NCPPC) for all other properties). Once approved, the information is submitted to the County and reflected on the property tax bill.

The amount of the credit is equal to 25% of the amount expended by the taxpayer for the restoration or preservation of a historic property, up to the amount of County real property taxes. The credit rate was increased to 25% from 10% for LY14 and future years (Bill 14-13). The credit shall be allowed for the tax year immediately following the work or any portion thereof is completed, and any unused portion of this tax credit may be carried forward for up to 5 tax years after which the credit lapses. This credit is applied against the General County and Special Service Area real property taxes.

Authority

Montgomery County Code, Chapter 52, Article VI

Effective Date

September 21, 1979

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

City of Gaithersburg Historic Preservation Commission at (301) 258-6330

City of Rockville Historic Preservation Commission at (240) 314-8230

M-NCPPC Historic Preservation Commission at (301) 563-3400

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	499,597	171
2013	290,085	115
2012	250,786	136
2011	234,850	141
2010	232,556	114
2009	138,447	65
2008	221,996	111
2007	191,006	96

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2006	170,407	107
2005	213,712	107
2004	203,335	117
2003	224,513	115
2002	181,268	114
2001	115,669	98
2000	104,993	79
1999	118,954	99
1998	73,821	73

Tax Credit for Property Leased by Religious Organizations

Description

This tax credit is granted against the County real property tax for that portion of the property that is leased, occupied, and used by a religious organization exclusively for public religious worship, educational purposes, or office space necessary to support or maintain public religious worship or educational purposes.

A taxpayer must apply for the tax credit with the Montgomery County Division of Treasury by April 1st to receive the credit in the next taxable year. This credit is applied against the General County and Special Service Area real property taxes.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18I

Effective Date

July 1, 1995

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	35,653	2
2013	36,885	2
2012	35,302	2
2011	13,096	1
2010	12,511	1
2009	31,659	2
2008	7,703	1
2007	7,557	1
2006	6,801	1
2005	20,031	2
2004	18,098	2
2003	19,200	3
2002	18,436	3
2001	17,090	3
2000	16,261	4
1999	7,419	3
1998	28,207	4

Tax Credit for Day Care Provider

Description

A taxpayer may receive a tax credit against the County real property tax for an improvement on real property, if the improvement is used exclusively for day care services (a registered family day care home, a licensed child care center, a licensed day care center for the elderly, or a licensed day care center for the medically handicapped). Likewise, a taxpayer may receive a property tax credit against the County real property tax for an improvement on real property owned by a business with at least 25 employees, if the improvement is used exclusively for day care services (e.g., a registered family day care home or a licensed child care center).

The credit is limited to the lesser of (1) \$3,000; and (2) the amount of the General County and Special Service Area property taxes attributable to the improvement.

A taxpayer must apply for the tax credit with the Montgomery County Division of Treasury by April 1, to receive the credit in the next taxable year. This credit is applied against the General County and Special Service Area real property taxes.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18E

Effective Date

July 1, 1987

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	8,558	4
2013	0	0
2012	0	0
2011	0	0
2010	0	0
2009	1,358	1
2008	3,498	4
2007	3,124	4
2006	2,051	4
2005	2,104	3
2004	429	1
2003	996	2
2002	873	2
2001	874	2
2000	875	2
1999	874	2

Property Tax Credit – Fire Sprinkler Systems

Description

A taxpayer may receive a one-time tax credit against the General County real property tax (i.e., this credit is not applied against the Special Service Area taxes) for any detached single-family dwelling unit, and any attached dwelling unit or multi-family building, in which a fire sprinkler system was not legally required to be installed, if an approved complete automatic sprinkler system that is used for fire protection is installed on or after July 1, 2000.

The tax credit may not exceed the lesser of (1) the total cost of installing the sprinkler system; and (2) 50% of the General County real property tax attributable to the dwelling unit or building.

A taxpayer must apply for the tax credit in the year the sprinkler system is installed to receive the credit in that tax year or the following tax year.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18K

Effective Date

July 1, 2000

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	0	0
2013	0	0
2012	3,968	1
2011	0	0
2010	3,300	1
2009	4,052	1
2008	1,725	1
2007	5,541	2
2006	1,913	1
2005	0	0
2004	3,385	3
2003	0	0
2002	7,374	4
2001	0	0
2000	0	0

Tax Credit for Spouse of Fallen Law Enforcement Officer or Rescue Worker

Description

The tax credit is 100% of the County real property tax on the dwelling of a surviving spouse (who has not remarried) of a fallen law enforcement officer or fallen rescue worker, if:

- 1) The dwelling was owned by the fallen law enforcement officer or fallen rescue worker at the time of their death; or
- 2) The fallen law enforcement officer or rescue worker or the surviving spouse was domiciled in the State as of the date of the fallen law enforcement officer's or rescue worker's death, and the dwelling was acquired by the surviving spouse within 2 years of the fallen law enforcement officer's or rescue worker's death; or
- 3) The dwelling was acquired after the surviving spouse qualified for a credit for a former dwelling under 1) or 2) above, to the extent of the previous credit.

A taxpayer must apply for the tax credit with the Montgomery County Division of Treasury by April 1, to receive the credit in the next taxable year. This credit is applied against the General County and Special Service Area real property taxes.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18N

Effective Date

July 1, 2003

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	19,927	5
2013	20,315	5
2012	19,903	5
2011	19,013	5
2010	16,269	4
2009	15,733	4
2008	14,277	4
2007	12,530	4
2006	12,415	4
2005	12,092	4
2004	9,498	3
2003	7,125	2

Tax Credit - Home Computer Telecommuting Incentive

Description

An employer may receive a tax credit against the County personal property tax for the purchase of a new home computer or new laptop computer to establish a new off-site employee workstation, if the computer is purchased after December 31, 2005. The amount of the tax credit must not exceed 50% of the cost of each new computer. The aggregate tax credit allowed for a taxpayer, in any tax year, must not exceed \$2,000. The Department of Finance must grant each tax credit in the order in which the Department receives the applications for the credit.

The amount of credits allowed in each calendar year must not exceed:

- 1) \$100,000 in 2006
- 2) \$175,000 in 2007
- 3) \$250,000 in 2008

Starting in 2009, the total amount of credits allowed in each future year must be set by the County Council. If the Council takes no action, the amount allowed for the prior year also applies to that year. Note: since no subsequent action was taken, the funding limit has remained \$250,000 from 2009 through 2011.

An employer is eligible for and must apply for the tax credit within 12 months after a new computer purchase, and the credit must be applied in the tax year of the purchase, or the following tax year. The employer must show that:

- 1) The computer will be used for telecommuting.
- 2) Affirm that the employee works at home at least 78 days per calendar year.
- 3) Document the date of purchase and the cost of the computer.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18O

Effective Date

January 1, 2006

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	0	0
2013	0	0
2012	0	0
2011	0	0
2010	0	0
2009	0	0
2008	0	0
2007	1,337	2
2006	3,412	5
2005	0	0

Property Tax Credit – Nonprofit Swim Clubs

Description

A nonprofit swim club is eligible for a credit applied against the General County and Special Service Area real property taxes, provided it uses its facilities exclusively to provide a recreational outlet for a local community. In the year for which the credit is applied, the nonprofit swim club must provide the County with documentation that shows it is a nonprofit entity, and must certify to the county that its facilities are used solely for the purposes stated. The required documentation to receive the tax credit is as follows:

- 1) A copy of its Articles of Incorporation
- 2) Current Certificate of Good Standing from the State of Maryland

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18P

Effective Date

July 1, 2006

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	782,758	59
2013	791,656	58
2012	773,072	58
2011	781,029	59
2010	838,893	59
2009	645,907	58
2008	652,014	60
2007	495,299	59
2006	373,488	59

Property Tax Credit – Energy and Environmental Design

Description

This credit, introduced as the “Green Building” tax credit, may be granted against the General County and Special Service Area real property taxes, based upon a building achieving one of ten qualified ratings for energy efficient buildings. The following are qualified ratings according to three rating systems: “*LEED-CS*” means the Leadership in Energy and Environmental Design - Core and Shell rating system administered by the US Green Building Council (USGBC), “*LEED-EB*” means the Leadership in Energy and Environmental Design - Existing Building rating system administered by the USGBC, and “*LEED-NC*” means the Leadership in Energy and Environmental Design - New Construction rating system administered by the USGBC. Also qualifying is a building that achieves an energy and environmental design standard that the Director of the Department of Permitting Services finds is equivalent to a gold or platinum rating from the USGBC for LEED-NC, LEED- CS, or LEED-EB. The credit is granted against the county real property taxes as follows:

For a covered building, which is defined as a newly constructed or extensively modified non-residential or multi- family residential building that has or will have at least 10,000 square feet of gross floor area:

(A) 25% of the property tax owed on the building for 5 years, if the building achieves a gold rating for LEED-NC or LEED-CS or an equivalent standard.

(B) 75% of the property tax owed on the building for 5 years, if the building achieves a platinum rating for LEED-NC or LEED-CS or an equivalent standard.

(C) 10% of the property tax owed on the building for 3 years, if the building achieves a gold rating for LEED-EB or an equivalent standard.

(D) 50% of the property tax owed on the building for 3 years, if the building achieves a platinum rating for LEED-EB or an equivalent standard.

For any other building, the amount of the credit is:

(A) 25% of the property tax owed on the building for 5 years, if the building achieves a silver rating for LEED-NC or LEED-CS or an equivalent standard.

(B) 50% of the property tax owed on the building for 5 years, if the building achieves a gold rating for LEED-NC or LEED-CS or an equivalent standard.

(C) 75% of the property tax owed on the building for 5 years, if the building achieves a platinum rating for LEED-NC or LEED-CS or an equivalent standard.

(D) 10% of the property tax owed on the building for 3 years, if the building achieves a silver rating for LEED-EB or an equivalent standard.

(E) 25% of the property tax owed on the building for 3 years, if the building achieves a gold rating for LEED-EB or an equivalent standard.

(F) 50% of the property tax owed on the building for 3 years, if the building achieves a platinum rating for LEED-EB or an equivalent standard.

The tax credit must be applied for within 1 year of the building being certified as a high energy performance building.

Annual Limits: during any fiscal year the total credits granted to:

- (A) All buildings under this Section must not exceed \$5 million.
- (B) Buildings that achieve a silver rating or equivalent standard must not exceed \$1.5 million.
- (C) Buildings that achieve a gold rating or equivalent standard must not exceed \$2.5 million.

The Finance Department must grant the credits in the order in which it receives complete applications. A complete application that, if granted would cause any of the limits listed above to be exceeded, must be granted in the next fiscal year or years based on the order in which the application is received.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18Q

Effective Date

March 17, 2008

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	3,653,867	49
2013	4,014,625	47
2012	3,072,232	39
2011	1,717,224	15
2010	1,507,567	11
2009	1,295,677	8
2008	0	0
2007	0	0

Property Tax Credit – Renewable Energy (Renewable Energy Devices)

Description

An owner of an owner-occupied residential property who installs a solar or geothermal device may receive a credit against the County real property tax. This credit is applied against the General County and Special Service Area real property taxes. A credit may be received only for a device that the individual owns (e.g., not leased). The credit is limited to the lesser of:

- 1) 50% of the eligible costs of the system, and
- 2) \$5,000 for a device to heat or cool a structure; \$5,000 for a device to generate electricity in a structure; \$1,500 for a device to provide hot water in a structure.

Any Geothermal or Solar energy device must meet safety and performance standards set by a nationally recognized testing laboratory for that kind of device, in order to receive the tax credit. In order to receive the tax credit, a taxpayer must submit a completed application to the Montgomery County Department of Finance. The application must:

- 1) Demonstrate that the taxpayer is entitled to the tax credit
- 2) Include a certification from the Montgomery County Department of Permitting Services indicating that the device is a qualifying solar or geothermal device, and has been properly installed. The Department of Permitting Services must accept a certification by another government agency, including a municipality, which certifies that the device has been properly installed.

The initial annual funding for this credit was \$250,000 in levy year 2008, but increased by \$150,000 on December 10, 2009 (Bill 39-09) effective levy year 2009. As a result, during any fiscal year starting 2009, the total credits granted for geothermal or solar devices must not exceed \$400,000. Credits must be granted in the order in which the Department of Finance receives completed applications. Any completed application received after the \$400,000 limit has been reached in the current fiscal year must be granted in the next fiscal year or years based on the order in which the application is received. The amount of credit issued in any tax year must not exceed the amount of County property tax levied on the property in that tax year. Any approved credit amount not issued in that tax year may be carried over for an additional two years.

Despite the increase in annual funding for this program in 2009, the strong demand for the credit continued to increase and exceed the annual funding limit – creating a growing backlog of approved applications with taxpayers having to wait longer (in many cases several years) to receive their credit on the property tax bill. This problem of a growing backlog was brought to the attention of the County Council and, as a result, Bill 28-11 was enacted on November 8, 2011 which suspended the program and required that this credit could be granted only for either (1) applications received on or before November 8, 2011, or (2) if the property owner entered into a contract for eligible costs on or before November 8, 2011 and applies for the credit on or before November 8, 2012.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18R

Effective Date

July 1, 2008

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	400,000	125
2013	400,000	130
2012	400,000	121
2011	400,000	115
2010	400,000	118
2009	400,000	103
2008	250,000	55

Property Tax Credit – Renewable Energy (Energy Conservation Devices)

Description

An owner of an owner-occupied residential property who installs an energy conservation device may receive a credit against the County real property tax. This credit is applied against the General County and Special Service Area real property taxes. In any fiscal year, the total amount of credit allowed under this section for all conservation devices is limited to \$250 per property.

In order to receive the tax credit, a taxpayer must submit a completed application to the Montgomery County Department of Finance. The application must demonstrate that the device for which a credit is sought is an eligible energy conservation device, defined as a device that reduces the demands for conventional fuels, or increases the efficiency of these fuels; and that the device meets safety and performance standards set by a nationally recognized testing laboratory for that kind of device. An energy conservation device does not include a standard household appliance.

The initial annual funding for this credit was \$250,000 in levy year 2008, but decreased by \$150,000 on December 10, 2009 (Bill 39-09) effective levy year 2009. As a result, during any fiscal year starting 2009, the total credits for energy conservation devices must not exceed \$100,000. Credits must be granted in the order in which the Department of Finance receives completed applications. Any completed application received after the \$100,000 limit has been reached in the current fiscal year, must be granted in the next fiscal year or years based on the order in which the application is received.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18R

Effective Date

July 1, 2008

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	30,251	122
2013	31,091	126
2012	28,839	116
2011	100,000	404
2010	100,000	408
2009	100,000	403
2008	30,460	122

Property Tax Credit – Publicly Sponsored Business Incubator

Description

A property that is used as a Publicly Sponsored Business Incubator, defined as a program in which units of space are leased by multiple early-stage businesses that share physical common space, administrative services and equipment, business management training, mentoring, and technical support, may receive a tax credit against the County real property tax, if the State, County, or an agency or instrumentality of the State or County: 1) owns, controls, or leases the space that is used as a business incubator, or 2) provides at least 50% of the total funding received by the business incubator from all sources, not including rents received from incubator tenant firms. This credit is limited to the General County and Special Service Area real property taxes applicable to the portion of the property occupied by the Business Incubator.

In order to receive the tax credit, a taxpayer must submit a completed application to the Montgomery County Department of Finance. The applicant must certify that the Business is a qualified business incubator, and the Department of Economic Development must authorize it as such. The applicant must apply annually for the tax credit by the first day of March before the tax year in which the credit is sought.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18S

Effective Date

July 1, 2010

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	69,716	2
2013	70,104	2
2012	67,824	2
2011	128,654	3
2010	121,267	3

Property Tax Credit – Accessibility Features

Description

A property owner may receive a property tax credit against the County Property Tax for a qualified accessibility feature that is installed on an existing residence, which is the owner's principal residence. A qualified accessibility feature is a permanent modification to a residence that results in:

(1) a no-step front door entrance with a threshold that does not exceed ½ inch in depth with tapered advance and return surfaces or, if a no-step front entrance is not feasible, a no-step entrance to another part of the residence that provides access to the main living space of the residence;

(2) an installed ramp creating a no-step entrance;

(3) an interior doorway that provides a 32-inch wide or wider clearing opening;

(4) an exterior doorway that provides a 32-inch wide or wider clear opening, but only if accompanied by exterior lighting that is either controlled from inside the residence, automatically controlled, or continuously on;

(5) walls around a toilet, tub, or shower reinforced to allow for the proper installation of grab bars with grab bars installed in accordance with the Americans with Disabilities Act Standards for Accessible Design;

(6) maneuvering space of at least 30 inches by 48 inches in a bathroom or kitchen so that a person using a mobility aid may enter the room, open and close the door, and operate each fixture or appliance;

(7) an exterior or interior elevator or lift or stair glide unit;

(8) an accessibility-enhanced bathroom, including a walk-in or roll-in shower or tub; or

(9) an alarm, appliance, and control structurally integrated into the unit designed to assist an individual with a sensory disability.

The accessibility feature must cost in excess of \$500, and must be paid by the applicant and not, reimbursed by any entity. The tax credit will be calculated as the lesser of (1) 50% of the eligible costs of the feature; or (2) \$2,500 less any subsidy received from a governmental, quasi-governmental, or non-profit entity for the feature.

The total amount of tax credits for qualified accessibility features must not exceed \$100,000 in any fiscal year. Any application received after the annual limit has been reached in a given year must be granted in the next tax year or years, and shall be issued in the order in which the tax credit applications are received.

In order to receive the tax credit, a taxpayer must submit a completed application to the Montgomery County Department of Permitting Services, within 12 months of the qualified accessibility feature being installed. The Department of Permitting Services must only accept one application for a credit, for each property, during a single tax year. The Department of Permitting Services must certify to the Department of Finance that the property is eligible for the credit and the amount of the credit, and the Department of Finance must issue the tax credit.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18T

Effective Date
July 1, 2014

Contact
Montgomery County Treasury in Rockville, MD at (240) 777-8931

<u>Fiscal Impact:</u>		
<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	4,846	2

Property Tax Credit – Level I & Level II Accessibility Standards

Description

A property owner may receive a property tax credit against the County Property Tax for the cost of features that achieve Level I or Level II Accessibility Standards; the accessibility features must be a permanent addition to a single family residence. A Level I Accessibility Standard is a permanent addition to a single family residence that includes at least one no-step entrance located at any entry door to the house that is connected to an accessible route to a place to visit on the entry level, a usable powder room or bathroom, and a 32-inch nominal clearance width interior door. A Level II Accessibility Standard is a permanent addition to a single family residence that provides all of the Level I Accessibility Standards plus an accessible circulation path that connects the accessible entrance to an accessible kitchen, a full bath, and at least one accessible bedroom.

Eligible costs for accessibility features must cost in excess of \$500 (including installation of the feature), and must be paid by the applicant and not reimbursed by any entity. The tax credit will be calculated as follows: 1) For features meeting Level I Accessibility Standards, certified costs of up to \$3,000 less any credit received against the Development Impact Tax for School Improvements under Section 52-93 for those features and less any funds or assistance received for the accessibility features. 2) For features meeting Level II Accessibility Standards, certified costs of up to \$10,000 less any credit received against the Development Impact Tax for School Improvements under Section 52-93 for those features and less any funds or assistance received for the accessibility features. The maximum amount of credit that may be applied in any one tax year for either Level I or Level II credits is \$2,000, and the credit cannot exceed the amount of County Property Tax imposed in that year. Any credit granted that does exceed those limits shall be carried forward to the next tax year(s) until the entire amount of the tax credit is applied. The total amount of tax credits for qualified accessibility standards Level I & Level II must not exceed \$500,000 in any fiscal year. Any application received after the annual limit has been reached in a given year must be granted in the next tax year or years, and shall be issued in the order in which the tax credit applications are received.

In order to receive the tax credit, a taxpayer must submit a completed application to the Montgomery County Department of Permitting Services, within 12 months of the qualified accessibility features being installed. The Department of Permitting Services must only accept one application for a credit, for each property, during a single tax year. The Department of Permitting Services must certify to the Department of Finance that the property is eligible for the credit and the amount of the credit, and the Department of Finance must issue the tax credit.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18U

Effective Date

July 1, 2014

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>
2014	4,000	2

Residential Real Property Tax Deferral - General

Description

A taxpayer may defer payment of County property taxes due on residential real property used as the owner's principal residence. The amount of taxes that may be deferred for any one year is the amount that County taxes exceed the amount of County taxes in the prior taxable year. Taxes that are eligible for deferral are the General County and Special Service Area real property taxes, if:

- 1) The gross income or combined gross income of all individuals who actually reside in the dwelling did not exceed \$120,000 for the preceding calendar year; and
- 2) The owner, or at least one of the owners, must reside in the dwelling as their principal place of residence, and must have done so for at least 5 years.

Interest accrues on the deferred taxes at a rate set annually by the County that does not exceed the prime lending rate. The annual interest rate set by the County applies to any tax deferred that year, regardless of the year when the tax was first deferred (i.e., the new interest rate is applied to all deferred taxes). The accumulation of deferred taxes and accrued interest must not exceed 50% of the full cash value of the property. Effective July 1, 2005 (Bill 10-05), the program was modified to (1) remove the inflation adjustment for the prior year tax, (2) change the interest rate from 9.0% to an annual prime lending rate, and (3) double the household income limit.

Authority

Montgomery County Code, Chapter 52, Article I, Section 52-18F

Effective Date

July 1, 1990

Contact

Montgomery County Treasury in Rockville, MD at (240) 777-8931

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Recipients</u>	<u>Interest Rate</u>
2014	0	0	3.25%
2013	0	0	3.25%
2012	0	0	3.25%
2011	0	0	3.25%
2010	0	0	3.25%
2009	0	0	3.25%
2008	0	0	5.00%
2007	0	0	8.25%
2006	0	0	8.25%
2005	0	0	6.00%
1999-2004	0	0	9.00%

Note: The interest rates are the Bank prime loan rates published in the Federal Reserve Board statistical release H.15(519) SELECTED INTEREST RATES. The rates are for the last published day of June and applicable to the levy year starting on the subsequent July 1st (e.g., June 30, 2014 for levy year 2014). According to this publication's footnote #10, the prime rate is the rate posted by a majority of top 25 (by assets in domestic offices) insured U.S.-chartered commercial banks, and is one of several base rates used by banks to price short-term business loans.

Payment in Lieu of Taxes (PILOT) Exemptions

Description

The purpose of the County “Payment in Lieu of Taxes” (PILOT) exemption is to support affordable housing, which is one of the County’s missions. Local governments, when authorized by State Law, negotiate agreements with rental property owners to lower the cost of County real property taxes. In return, a rental property owner commits to provide affordable housing to low-income residents. Following the legal, budgetary, and procedural review of a negotiated PILOT agreement, the County Department of Housing and Community Affairs (DHCA) recommends a PILOT to the Director of Finance for approval. The Department of Finance computes the fiscal impact and, subject to the guidelines and an annual funding limit, either approves or denies the recommended PILOT. Once the agreement is executed, this exemption is applied against the General County and Special Service Area real property taxes. The County Council sets the maximum annual funding amount for PILOT programs for a 10-year period for properties that are not owned or controlled by the Housing Opportunity Commission (HOC).

Authority

Maryland Code: § 7-501, § 7-502, § 7-503, § 7-505, § 7-506-1 of the Tax – Property Article; and § 1-104 of Article 44A – Housing Authorities

Montgomery County Code, Chapter 52, Article I, Section 52-18M

Effective Date

1979 (first County non-HOC PILOT agreement)

Contact

Montgomery County Department of Housing and Community Affairs (DHCA) in Rockville, MD at (240) 777-3693 for PILOT related questions.

Montgomery County Treasury in Rockville, MD at (240) 777-8994 for property tax billing related questions.

Fiscal Impact:

<u>Levy Year</u>	<u>Accounts</u>	<u>Non-HOC PILOT (\$)</u>	<u>Non-HOC cap (\$)</u>	<u>HOC exemption (\$)</u>
2014	3,755	10,068,425	11,231,278	9,345,090
2013	3,767	9,676,733	10,696,460	9,312,411
2012	3,672	8,514,373	10,187,100	8,469,023
2011	3,661	8,022,305	9,702,000	8,266,470
2010	3,669	7,986,333	9,240,000	8,213,051
2009	3,568	7,943,513	8,800,000	8,625,091
2008	3,304	6,580,617	7,800,000	8,094,522
2007	3,145	6,251,922	6,600,000	7,204,893

Note: The number of accounts (pertaining to both HOC and non-HOC PILOTS) listed in the table above represents the number of property tax accounts eligible for PILOT exemptions, and does not represent the total number of affordable housing units supported through these PILOT exemptions (which will be considerably higher).

Property Tax Exemptions

Description

There are numerous types of Property Tax Exemptions available through the State, some of the most frequently used ones include exemptions for: charitable or educational properties; dwelling house of a blind individual or surviving spouse; dwelling house of a disabled veteran or surviving spouse; government properties; and properties owned by religious organizations.

Authority

Maryland Code: Title 7 of the Tax – Property Article

Effective Date

Varies by Exemption

Contact

SDAT in Rockville, MD at (240) 314-4510

Fiscal Impact:

<u>Levy Year</u>	<u>Amount (\$)</u>	<u>Number of Full & Partial Exemptions</u>
2014*	48,737,723	12,910
2013	49,422,792	12,991
2012	51,006,902	13,068
2011	45,685,439	13,085
2010	43,997,324	12,938
2009	39,944,548	12,706
2008	36,085,622	12,441
2007	33,444,486	11,957
2006	27,882,527	11,981
2005	26,039,762	12,108
2004	24,869,516	14,280
2003	23,699,270	14,141
2002	21,858,722	14,021
2001	21,148,482	13,859
2000	20,558,621	13,736

Note: the amount is computed based on SDAT data for exemptions pertaining to (1) educational (including church owned), (2) religious, (3) charitable and fraternal, and (4) individual (includes disabled veterans and their spouses, blind persons, and foreign embassies) properties. Not included are exemptions for Federal, State, County, and Municipal owned properties.

*2014 figures are estimates

Tax Exemption List

Subtitle 2. General Property Tax Exemptions

- 7-201. Cemeteries and mausoleum companies
- 7-202. Charitable or educational purposes
- 7-203. Chesapeake Bay Foundation
- 7-204. Religious groups or organizations

- 7-205. Community water systems
- 7-206. Continuing care facility for aged
- 7-207. Dwelling house of blind individual; surviving spouse
- 7-208. Dwelling house of disabled veteran; surviving spouse
- 7-209. Fire companies and rescue squads
- 7-210. Government property
- 7-211. Interest in government property
- 7-211.1. Property used to heat, cool, or generate electricity for State
- 7-212. Gunpowder youth camps
- 7-214. Historical societies; war memorials
- 7-215. Housing authority property
- 7-216. Izaak Walton League
- 7-217. Maryland Ornithological Society, Inc.
- 7-218. Nature Conservancy
- 7-219. Personal property - Agricultural products
- 7-220. Same - Aircraft
- 7-221. Same - Bank property
- 7-221.1. Same - Property used in processing deposits or loans
- 7-222. Same - Business stock property
- 7-223. Same - Farm implement property
- 7-224. Same - Livestock property
- 7-225. Same - Manufacturing property
- 7-226. Same - Raw materials and products property
- 7-227. Same - Property located in a residence
- 7-228. Same - Savings and loan property
- 7-229. Same - Tools of mechanics or artisans
- 7-230. Same - Vehicles
- 7-231. Same - Vessels
- 7-232. Same - Voting system
- 7-233. Scouts
- 7-234. Veterans' organizations
- 7-235. Maryland Vending Program for the Blind
- 7-236. Refueling equipment or machinery
- 7-237. Machinery or equipment used to generate electricity, steam for sale, hot or chilled water for sale
- 7-238. Computer software and related documentation
- 7-239. Certified coal pollution control facility; coal waste disposal power project
- 7-240. Nonprofit organization engaged in containment of coastal and tidal oil spills
- 7-241. Charles County Planning Commission

Subtitle 3. State Property Tax Exemption

- 7-301. Personal property - State property tax exemption
- 7-302. American Association of Blood Banks, Inc.
- 7-303. Licensed public airport on privately owned land
- 7-304. Land trusts
- 7-305. Harford Land Trust

Subtitle 4. County Exemptions - Mandatory

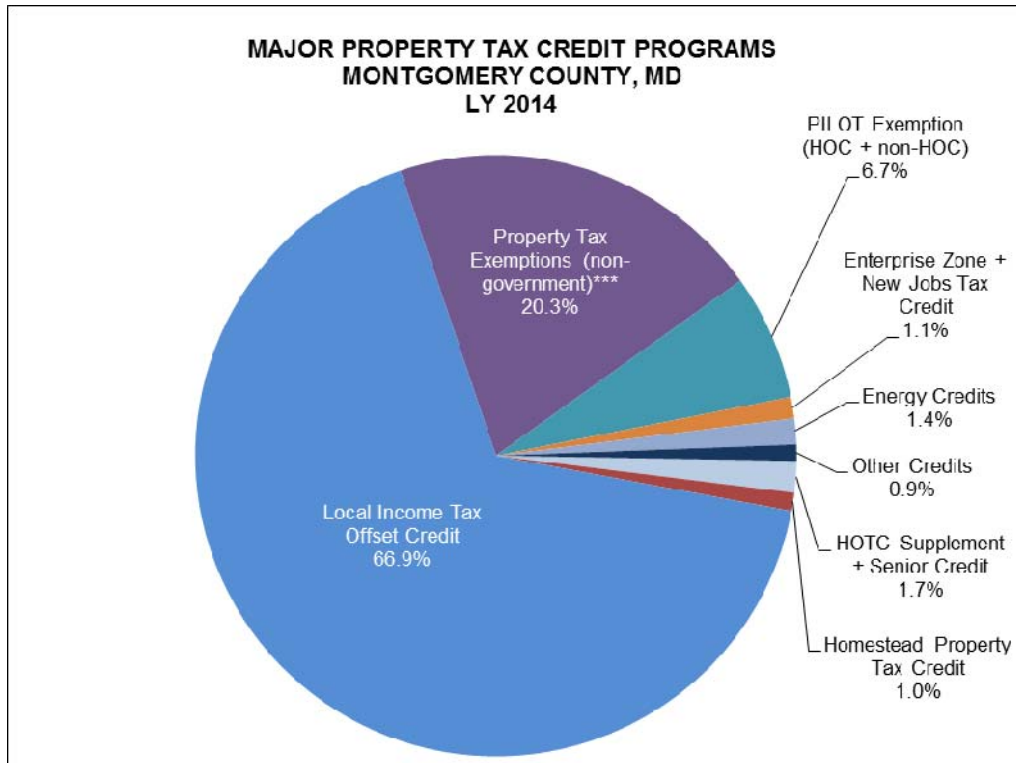
- 7-401. Rolling stock property

Summary Statistics

TAX EXPENDITURE PROGRAMS IN MONTGOMERY COUNTY, MD

TAX CREDIT/EXEMPTION PROGRAM	LY 2012	LY 2013	LY 2014	SHARE LY 2014
Supplemental Homeowners Property Tax Credit	\$3,710,895	\$3,655,435	\$3,537,015	1.4%
Senior Tax Credit *	\$548,733	\$540,517	\$523,007	0.2%
Homestead Property Tax Credit	\$2,463,384	\$894,907	\$962,007	0.4%
Local Income Tax Offset Credit	\$168,379,383	\$168,674,325	\$168,787,213	67.0%
Enterprise Zone Tax Credit	\$1,502,259	\$1,546,171	\$1,565,768	0.6%
Arts & Entertainment District Tax Credit	\$1,495	\$1,340	\$1,796	0.0%
New Jobs Tax Credit**	\$1,391,761	\$1,379,483	\$1,284,939	0.5%
Brownsfield Property Tax Credit	\$1,047,656	\$1,545,176	\$1,583,687	0.6%
Conservation Land Tax Credit	\$715	\$728	\$719	0.0%
Historic Preservation Tax Credit	\$250,786	\$290,085	\$499,597	0.2%
Religious Organization Tax Credit	\$35,302	\$36,885	\$35,653	0.0%
Day Care Provider Tax Credit	\$0	\$0	\$8,558	0.0%
Fire Sprinkler Tax Credit	\$0	\$0	\$0	0.0%
Spouse of Fallen Law Enforcement Officer Tax Credit	\$19,903	\$20,315	\$19,927	0.0%
Home Computer Telecommuting Tax Credit	\$0	\$0	\$0	0.0%
Nonprofit Swim Clubs Tax Credit	\$773,072	\$791,656	\$782,758	0.3%
Energy & Environmental Design (Green Building) Tax Credit	\$3,072,232	\$4,014,625	\$3,653,867	1.5%
Renewable Energy Devices Tax Credit	\$400,000	\$400,000	\$400,000	0.2%
Energy Conservation Devices Tax Credit	\$28,839	\$31,091	\$30,251	0.0%
Business Incubator Tax Credit	\$67,824	\$70,104	\$69,716	0.0%
Design for Life Tax Credit - Accessibility Feature	\$0	\$0	\$4,846	0.0%
Design for Life Tax Credit - Accessibility Standard	\$0	\$0	\$0	0.0%
Residential Real Property Tax Deferral	\$0	\$0	\$0	0.0%
PILOT Exemption (HOC + non-HOC)	\$16,983,396	\$18,989,144	\$19,413,515	7.7%
Property Tax Exemptions (non-government)**	\$51,006,902	\$49,422,792	\$48,737,723	19.3%
TOTALS	\$251,684,537	\$252,304,779	\$251,902,562	100.0%

Note: * Senior Credit amount is estimated using 25% share of the amount provided by SDAT (i.e., combined Supplement + Senior credit for this eligible population)
 ** 2014 estimated. 2013 updated.



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