

**approved**

senior tax credit task force

Minutes of the September 23, 2008, meeting

The Senior Tax Credit Task Force met on September 23, 2008, in the Tyson Room, Howard Building, 3430 Courthouse Dr., Ellicott City, MD, at 2 pm.

The following members of the task force were in attendance: Ted Meyerson, Frank Chase, Sara Hamer, Don Dunn, Janice Bloodworth, Colin Burke, Sue Buswell, Mitra Basu, and Sue Brown.

Others from staff in attendance were Linda Watts (Finance), Leo Oken (Audit), Don Stitely (Budget), Pam Bilal (Aging), Jeff Meyers (Council) and Diana Coll (Council).

The meeting was open to the public and press.

The chairman called the meeting to order at 2:01 p.m.

The task force approved the minutes from March 6, 2008, without change. Mr. Meyerson noted that, because the Howard Building will be renovated, future meetings will be held in the County Council's temporary space at 8930 Stanford Boulevard in Columbia. The next meeting was set for October 28 at 2 p.m.

The following individuals have resigned from the task force: Pat Dornan (Howard County Taxpayers Association), Ed Gillis (AARP), and Larry Lewis (District 5).

Ms. Watts distributed a packet about the County's experience with senior tax credit so far. To date, the Department of Finance has received 1,086 applications. Credits were issued to 656 applicants totalling about \$380,000. About 170 applicants did not receive credits because the State credits were at least as large as the County credit would have been. Several hundred more applications are in various stages of processing. The number of applications is almost the same as last year, however, Finance did not receive applications from all of those who received credits last year. Finance has already sent these people letters and will send another letter soon because the application deadline is October 31. Ms. Watt's demographic analysis, with results that are similar to last year's analysis, shows that the poorest taxpayers receive large State credits and small County credits and that taxpayers with incomes closer to the ceiling set by law (now \$70,000) receive small State credits and larger County credits.

As was the case last year, Ms. Watts indicated that the Department has no hard information about the number of people who might be eligible for the senior tax credit but have not applied. Ms. Watts reported that Finance has made significant outreach efforts, which are on-going. Several member of the task force pointed out that it is important to find out the number of people who did not apply but who might be qualified. Ms. Watts will see if the State Comptroller would be willing to review income tax data to help close the information gap. Mr. Meyerson suggested that the outreach efforts were sufficient to ensure that interested taxpayers had been reached. The credit is available and the application process is as painless as the requirements of the law allow. Some people may choose not to apply for various reasons, which may include an unwillingness to take a government handout.

Mr. Dunn indicated that many seniors are discouraged from applying because: (1) the application is daunting, (2) they object to also needing to complete the State form, or (3) they have difficulty reporting income, assets, or both. Mr. Dunn forcefully indicated that, in light of Howard County's wealth, the County should be much more generous in providing credits to seniors and that the asset test, which is complex to calculate and administer, should be repealed. He said that assets have little connection with the ability to pay property taxes because many are illiquid and could evaporate overnight.

Mr. Chase reiterated his conviction that the County should distribute property tax credits to poor taxpayers without regard for any State credits they might receive. He also said that when the tax bill is reduced to some figure, perhaps \$100 or less, it is not worth collecting. He also pointed out that the State credit is progressive but the County credit is not.

Ms. Buswell indicated that she had not heard complaints about the application process and that she was pleased to see that more citizens of Howard County had sought the State credit. She praised the efforts of Finance and the Office on Aging. Ms. Bilal indicated that the application form is easier than the forms for other assistance programs and that the Office on Aging had few requests for assistance with the form.

Mr. Burke suggested that the some terms on the application form could be clarified and that, although the staff was available and cooperative, more training would be helpful. He also found that the revised bill, which is sent to successful applicants, is confusing. He suggested that Finance convene a panel to review the language of the application and the bill. He also suggested that the task force may wish to explore making the credit more progressive, so that poorer taxpayers receive larger credits, and allowing the credit to adjust based on the taxpayers' bills before the recent housing boom drove up assessments. Making the credit more progressive, he said, would probably double the cost. Ms. Brown and Ms. Buswell indicated that, to be fair, people in similar houses and with similar circumstances, should have similar tax bills.

There seemed to be consensus that the task force need not make any recommendations regarding the age limit or the income test, which is tied to an index that changes annually. Mr. Meyerson indicated that members who want to recommend changes to the asset test, the size of the credit, or decoupling from the State, should cast those recommendations in the form of motions that could be voted on at the next meeting.

The meeting adjourned at 3:51 p.m.

Respectfully submitted,

Jeff Meyers