

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 130 (Senator Haines)
Budget and Taxation

Hearing Impaired Individuals Over Age 72 - Tax Exemption

This bill provides a \$6,000 property assessment exemption for any hearing impaired individual who is at least 72 years old.

This bill takes effect July 1, 1996.

Fiscal Summary

State Effect: Special fund revenues could decrease by \$15,600 in FY 1997. Future year decreases reflect growth in eligible property owners. Expenditures would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
SF Revenues	(\$15,600)	(\$15,900)	(\$16,100)	(\$16,400)	(\$16,600)
SF Expenditures	0	0	0	0	0
Net Effect	(\$15,600)	(\$15,900)	(\$16,100)	(\$16,400)	(\$16,600)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Local government revenues would decrease by \$215,000 in FY 1997. Expenditures would not be affected.

Fiscal Analysis

State Revenues: Providing a \$6,000 property tax assessment exemption for each eligible individual would reduce State special fund revenues by \$12.60 per person. Assuming approximately 1,240 individuals qualify for this exemption, State revenues would decrease by \$15,600 in fiscal 1997. Future year revenue decreases would depend upon the number of eligible individuals and the State property tax rate. This estimate is based on the following facts and assumptions:

- \$0.21 per \$100 of assessed value State property tax rate;
- 1,237,000 owner-occupied parcels of property within the State;
- 10% of property owners are 72 years or older; and
- 1% of individuals are hearing impaired.

Out-year losses, shown above, are based on an estimated 1.5% growth in eligible property owners.

Local Revenues: Local government property tax revenues would decrease by an average of \$173.40 for each eligible individual. Accordingly, local revenues would decrease by \$215,000 in fiscal 1996. This estimate is based on a \$2.89 per \$100 of assessed value local effective property tax rate. Future year revenue decreases depend upon the increase in eligible individuals and local property tax rates.

Information Source(s): Department of Assessments and Taxation, Department of Fiscal Services

Fiscal Note History: First Reader - January 24, 1996

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