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Senior Tax Cut: Ploy or Answer?

Up front, any reasonable effort to encourage seniors in our community to remain in Howard County once they retire needs to be supported. Targeted reductions in property taxes will help, but they are not only answer.

The Howard County Commission on Aging has consistently supported efforts to retain seniors in our community since they contribute so much to our sense of community at so many different levels.

For example, our seniors provide incalculable volunteer hours to support the civic, governmental and faith-based organizations throughout the County. Indeed, without those efforts, many of these organizations could not accomplish their missions.

Also, as integral parts of our families, our seniors provide important role models for our children. And, for our younger parents who are always on the go, our seniors often provide “respite care” in the form of babysitting.

And, by the far the majority of the seniors who live in Howard County are “net positive” taxpayers. This means that the services provided by government to the senior population cost less than the taxes that are collected. Any surplus can be applied to other areas of the budget, such as our school system, that require additional funding sources.

For example, in the 2007 Howard County Budget, funds totaling \$652,128,340 were appropriated for education, while only \$4,443,031 was appropriated to operate the Office on Aging. With over 23,000 persons over the age of 65 living in Howard County, the seniors’ continued financial support is very necessary, even if the benefit they receive directly is disproportionately small.

On the eve of recent election, the County Council passed a property tax reduction that should help seniors. This “senior tax cut bill” provides that there will be a 25 percent tax cut in property taxes for seniors over the age of 70 who have household incomes less than \$75,000. Once the tax cut is applied, the resulting property tax will not increase in future years during which the senior homeowner still qualifies for the tax cut. Reportedly, this tax cut will reduce County tax revenues by about \$4 million per year.

After the tax cut bill was passed, discussion began almost immediately as to whether it was a good thing to pass this bill. Unfortunately, these questions have some merit.

One concern is based on the fact this bill is quite limited in its scope and applicability. It applies only to homeowners, as opposed to renters or persons living in retirement communities, and its use of household income as a limiting factor is quite arbitrary.

More importantly, the focus for government largess should be to address quality of life issues within the government’s areas of responsibility. So, improvements in transportation options for seniors, additional recreational opportunities, and better access to health and mental care would be far more valuable to most seniors living in Howard County.

Perhaps it is the feeling that the senior tax cut was more an election year ploy than a real outreach to the senior population that rankles. If this proposal had been vetted with the Commission on Aging and other senior advocacy groups, there is little doubt that a better proposal on how to spend \$4 million could have been developed.



As the new year dawns with a new County Executive and a new County Council, significant outreach must be developed so that the real concerns of our seniors can be effectively identified and addressed. If we can do that, our goal of retaining this very important part of our community in Howard County will be achievable. Tax cuts may provide part of the answer, but certainly not all of the answer.