

A new local personal property system was implemented in eleven assessment offices with expansion planned for the remaining assessment offices in 1987. When installed, the system permits automated Personal Property Tax Billing by the respective county government and promotes the elimination of long lead time between assessment certification and billing.

The Department participated in a cooperative venture with the License Bureau of the Comptroller of the Treasury's Office to automatically provide our corporate information and facilitate their computer pricing of traders licenses.

In addition, 1986 saw the installation of a new Renters Tax Credit Recording and Tracking system that is operational in the Tax Credit headquarter's office and the development of a contract for acquisition of ten personal computers targeted for CAMA development and word processing settings.

Operations

The Data Processing Division provided operational support for each office or division of the Department by maintaining and operating over 600 software programs.

TAX CREDITS AND EXEMPT PROPERTY

Homeowners' and Renters' Tax Credits

The Homeowners' Tax Credit Program is one of the major property tax relief initiatives offered by the State of Maryland. It operates on the basis of household income and is made available to all homeowners regardless of age. In the 1986-87 tax year, the total funds disbursed for tax credits increased from \$40,078,109 to \$40,980,555. However, the number of persons actually receiving the credit decreased by approximately 4,000. The higher expenditure, coupled with the decrease in recipients, can be attributed to the increasing income of some applicants while their property tax liability remained stable or declined due to tax rate reductions. Other persons were eliminated from the program because they chose to sell their dwellings on which they had received tax credits in prior years. Table XIII compares the number of persons receiving the credit and the amount of funds disbursed in FY 1986 and FY 1987. The majority of persons still receiving the credit were granted a larger amount of benefit. The 1986 session of the General Assembly had enacted changes in the tax credit law which increased the average credit by \$15 for the 1986-87 tax year.

There was a moderate but steady growth again this fiscal year in both the funds disbursed and the number of persons receiving benefits under the Renters' Tax Credit Program. The amount of benefits granted to elderly and disabled renters increased to \$1,978,815. Part of the increase was due to a corresponding formula change in the Renters' law enacted in the 1986 session. There was also an additional 406 persons receiving the credit for a combined total of 9,296 eligible applicants. Table XIV compares the program performance over the two years.

A major effort of the Tax Credit Division of the Department has been to simplify the filing procedures for applicants while at the same time insuring the financial integrity of the system by continually expanding the income audits.