

# WHAT IMPACTS OUR PROPERTY TAX RATE?



Baltimore City's Property Tax Rate is the highest in the State (2.248%). Here are a few reasons why...

## PROPERTY VALUES AND VACANTS

- The City has a relatively low market value compared to the region. December 2018, median residential sale prices were:  
Baltimore City: \$138,000  
Washington, D.C.: \$599,000  
Baltimore County: \$240,000
- There are a large number of vacant structures, resulting in residents and businesses sharing the additional burden of the tax base that is not taxable due to vacancy.



## TAX EXEMPT PROPERTIES

- More than 18,000 City properties owned by nonprofits are tax exempt, yet receive City services.
- These properties make up only 7.5% of the City's real property, but are some of the largest and most valuable properties in the City.
- If taxed, these properties would represent 30% of the taxable base and generate \$389 million in taxes.

## ENCOURAGING THE MARKET

- The City stimulates the property market through tax incentives, such as credits and Payment in Lieu of Taxes (PILOT).
- These incentives are designed to bring in and retain homeowners, businesses, and developers in Baltimore.
- In Fiscal 2019, real property tax credit expenditures are estimated at \$116 million.



## POPULATION & INCOME

- Baltimore has a declining population and a low tax base, but high demands for City services, such as health, housing, and social services.
- Baltimore's population has drastically declined with the loss of more than 400,000 residents since the 1950s.
- In 2017, Baltimore City's median household income was \$46,641.

## SHIFT IN FUNDING

- With a smaller tax base, a higher tax rate is needed to ensure aging infrastructure is repaired and rebuilt and to cover reductions in State support.
- Baltimore's portion of State Highway User Revenue (HUR), funds used for infrastructure and transit improvements, peaked at \$227 million during Fiscal 2007.
- In Fiscal 2019, the City anticipates receiving \$143 million in HUR funding, a 37% decline from 2007.



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