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 sales prices were:
  - Baltimore City: $238,000
  - 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.

LEARN MORE AT BBMR.BALTIMORECITY.GOV