

CHARM

CITY BUYERS

CHAP TAX CREDIT PRESENTATION

TAX CREDIT WORKGROUP
9/26/2024

1418 N Broadway - Before



1418 N Broadway - Before



1418 N Broadway - After (\$206k)



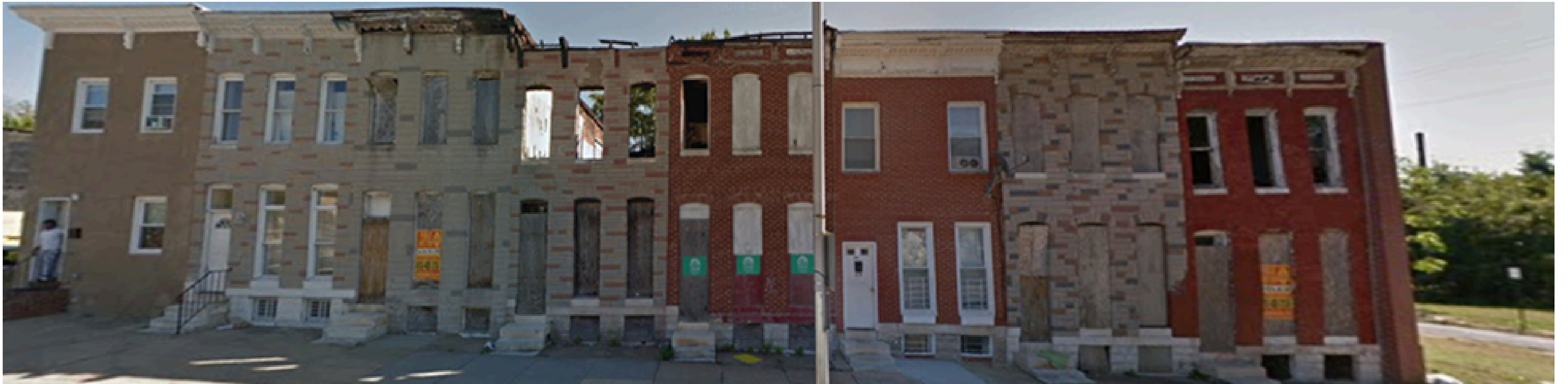
1418 N Broadway - CHAP CREDIT

Assessed Property:

1418 N BROADWAY

TAX DESCRIPTION	ASSESSMENT	RATE	TAX
STATE TAX	253,333.00	0.112%	\$283.73
CITY TAX	253,333.00	2.248%	\$5,694.93
TOTAL TAX			\$5,978.66
SPECIAL CREDIT			(\$4,813.68)
PAID 07/25/24 2.21-			(\$580.30)

1400 Block N Broadway - Before



1400 Block N Broadway - After



1431 N Broadway - Before



1431 N Broadway - Before



1431 N Broadway - After



1431 and 1429 N Broadway - CHAP

Assessed Property:
1431 N BROADWAY

TAX DESCRIPTION	ASSESSMENT	RATE	TAX
STATE TAX	135,333.00	0.112%	\$151.57
CITY TAX	135,333.00	2.248%	\$3,042.29
TOTAL TAX			\$3,193.86
STATE HOMESTEAD CREDIT			(\$143.44)
CITY HOMESTEAD CREDIT			(\$2,896.39)
SPECIAL CREDIT			(\$145.89)
PAID 07/25/24 0.36-			(\$4.07)

Assessed Property:
1429 N BROADWAY

TAX DESCRIPTION	ASSESSMENT	RATE	TAX
STATE TAX	200,000.00	0.112%	\$224.00
CITY TAX	200,000.00	2.248%	\$4,496.00
TOTAL TAX			\$4,720.00
SPECIAL CREDIT			(\$4,428.56)
PAID 07/25/24 0.17-			(\$145.55)

CASE STUDY - 1421 N Broadway

On Mon, Jun 29, 2020 at 8:17 AM Neil Junker <neil.junker@me.com> wrote:

Is there a call-in phone number?

The future taxes will be \$297.04 at a \$205,000 property tax assessment.

EMAIL TO USE

All,

I received this note from our CHAP / Historic Consultant, Neil Junker of O'Connell & Associates.

I look forward to Monday's conversation.

The CHAP Tax Credit for 1421 N Broadway has been granted final approval. I have attached the letter from Baltimore City. Per Baltimore City rules, the CHAP credit will begin on July 1, 2020 and last for 10 tax years until June 30, 2030. The credit will be applied to the next new tax bill issued by Baltimore City where the rehabilitation value is applied to the assessment so there is new tax to offset. Until that happens the taxes will be \$94.40 for tax year July 1, 2020-June 30, 2021 based on a \$4,000 assessment & \$118.00 for the tax year July 1, 2021-June 30, 2022 based on a \$5,000 assessment (see 2nd attached document). The Annual Property Tax is calculated by the Assessed Value times 2.36%, which is the Total Tax Rate. The Total Tax Rate is broken down by 2.248% City Tax + .112% State Tax = 2.36%

The CHAP Credit is only for the City Tax and not the State Tax. Baltimore City calculates the CHAP Credit by multiplying the city tax rate of 2.248% by the lesser of: the delta of the as-is and as-completed appraisals and the delta of the as-is and as-completed assessments. Since the delta of the appraisals is \$205,000 (per the first attached document, the value of the CHAP credit will be capped at @\$4,608.40 a year, but the annual value will not be determined until the SDAT reassessment from the new construction is added. This means that if the SDAT assessment is less than \$208,000 (\$205,000 more than the 2017-18 \$3,000 assessment), the expected value of the CHAP credit will be: (The next SDAT Assessment minus \$3,000) * 2.248%. If the SDAT as-completed assessment is greater than \$208,000, the CHAP credit will be the aforementioned capped amount of @\$4,608.40. This means that you should calculate the next tax bill to be the next SDAT assessment times the combined 2.36% tax rate minus the value of the CHAP credit.

If the settlement price is \$205,000, and the new assessment is \$205,000...the total taxes are calculated by $\$205,000 * 2.36\% = \$4,838.00$ - CHAP credit of $\$4,540.96 = \297.04

I know their calculation method can be confusing so call or email me if you have any questions.

Sincerely,

Neil Junker
C-443-463-3363

NON-CHAP Example

Assessed Property: 1425 N BROADWAY			
TAX DESCRIPTION	ASSESSMENT	RATE	TAX
STATE TAX	216,200.00	0.112%	\$242.14
CITY TAX	216,200.00	2.248%	\$4,860.18
TOTAL TAX			\$5,102.32
PAID 07/25/24			(\$2,539.01)
12.15-			