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By: ~~Delegate Campbell~~ **Delegates Campbell and McHale**

Introduced and read first time: January 14, 2002

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2002

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CHAPTER 493

1 AN ACT concerning

2 **Baltimore City - Tax Credit for Newly Constructed ~~and First Purchased~~**  
3 **Dwellings - Termination Date**

4 FOR the purpose of altering the termination date applicable to certain provisions  
5 authorizing the Mayor and City Council of Baltimore City to grant, by law, a  
6 property tax credit against the local property tax imposed on newly constructed  
7 dwellings ~~or first purchased dwellings~~ under certain circumstances; repealing  
8 certain property tax credit provisions for first purchased dwellings in Baltimore  
9 City; repealing certain obsolete provisions; and generally relating to property  
10 tax credits for newly constructed dwellings ~~or first purchased dwellings~~ in  
11 Baltimore City.

12 BY repealing and reenacting, with amendments,  
13 Article - Tax - Property  
14 Section 9-304(d)  
15 Annotated Code of Maryland  
16 (2001 Replacement Volume and 2001 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - Property**

20 9-304.

21 (d) (1) (i) In this subsection the following words have the meanings  
22 indicated.

1 (ii) 1. "Newly constructed dwelling" means residential real  
 2 property that has not been previously occupied since its construction and for which  
 3 the building permit for construction was issued on or after October 1, 1994.

4 2. "Newly constructed dwelling" includes a "vacant dwelling"  
 5 as defined in subsection (c)(1) of this section that has been rehabilitated in compliance  
 6 with applicable local laws and regulations and has not been previously occupied since  
 7 the rehabilitation.

8 ~~(iii) "First purchased dwelling" means owner-occupied residential~~  
 9 ~~real property that is the first residence owned or purchased in Baltimore City by the~~  
 10 ~~applicant for a property tax credit granted under this subsection.~~

11 ~~(iv) (III)~~ "Homeowner" has the meaning stated in § 9-105(a)(3) of  
 12 this title.

13 (2) The Mayor and City Council of Baltimore City may grant, by law, a  
 14 property tax credit under this subsection against the county property tax imposed on  
 15 newly constructed dwellings ~~or first purchased dwellings~~ that are owned by  
 16 qualifying owners.

17 (3) ~~Except as provided in paragraph (4) of this subsection, a~~ A property  
 18 tax credit granted under this subsection may not exceed the amount of county  
 19 property tax imposed on the real property, less the amount of any other credit  
 20 applicable in that year, multiplied by:

21 (i) 50% for the first taxable year in which the property qualifies for  
 22 the tax credit;

23 (ii) 40% for the second taxable year in which the property qualifies  
 24 for the tax credit;

25 (iii) 30% for the third taxable year in which the property qualifies  
 26 for the tax credit;

27 (iv) 20% for the fourth taxable year in which the property qualifies  
 28 for the tax credit;

29 (v) 10% for the fifth taxable year in which the property qualifies for  
 30 the tax credit; and

31 (vi) 0% for each taxable year thereafter.

32 ~~(4) (i) The Mayor and City Council of Baltimore may grant a property~~  
 33 ~~tax credit for any newly constructed dwelling for which a building permit was issued~~  
 34 ~~on or after July 1, 1994 but before October 1, 1994, provided that an application for a~~  
 35 ~~property tax credit is submitted on or before August 31, 1998.~~

36 ~~(ii) Subject to the limitations imposed under subparagraph (i) of~~  
 37 ~~this paragraph, a property tax credit granted under this subsection may not exceed~~

1 the amount of county property tax imposed on the real property, less the amount of  
2 any other credit applicable in that year, multiplied by:

- 3                                   1.       30% for the taxable year beginning after June 30, 1998;  
4                                   2.       20% for the taxable year beginning after June 30, 1999;  
5                                   3.       10% for the taxable year beginning after June 30, 2000;  
6 and  
7                                   4.       0% for all taxable years thereafter.

8                   (5)     (4)     Owners of newly constructed dwellings or first purchased  
9 dwellings may qualify for the tax credit authorized by this subsection by:

10                           (i)     purchasing a newly constructed dwelling or first purchased  
11 dwelling;

12                           (ii)    occupying the newly constructed dwelling or first purchased  
13 dwelling as their principal residence;

14                           (iii)   filing a State income tax return during the period of the tax  
15 credit as a resident of Baltimore City; and

16                           (iv)    satisfying other requirements as may be provided by the Mayor  
17 and City Council of Baltimore City.

18                   (6)     (5)     The Mayor and City Council of Baltimore City may provide for  
19 procedures necessary and appropriate for the submission of an application for and the  
20 granting of a property tax credit under this subsection, including procedures for  
21 granting partial credits for eligibility for less than a full taxable year.

22                   (7)     (6)     The estimated amount of all tax credits received by owners  
23 under this subsection in any fiscal year shall be reported by the Director of Finance of  
24 Baltimore City as a "tax expenditure" for that fiscal year and shall be included in the  
25 publication of the City's budget for any subsequent fiscal year with the estimated or  
26 actual City property tax revenue for the applicable fiscal year.

27                   (8)     (7)     (i)     After June 30, [2002] 2005, additional owners of newly  
28 constructed dwellings or first purchased dwellings may not be granted a credit under  
29 this subsection.

30                           (ii)    This paragraph does not apply to an owner's continuing receipt  
31 of a credit as allowed in paragraph (3) of this subsection, with respect to a property for  
32 which a tax credit under this subsection was received for a taxable year ending on or  
33 before June 30, [2002] 2005.

34     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 July 1, 2002.

