
By: **Senator Della**

Introduced and read first time: February 5, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Property Tax Credit - Newly Constructed Dwellings**

3 FOR the purpose of altering the definition of a "newly constructed dwelling" for the
4 purpose of determining eligibility for a certain property tax credit for newly
5 constructed dwellings in Baltimore City.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - Property
8 Section 9-304(d)
9 Annotated Code of Maryland
10 (1994 Replacement Volume and 1997 Supplement)

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

13 **Article - Tax - Property**

14 9-304.

15 (d) (1) (i) In this subsection the following words have the meanings
16 indicated.

17 (ii) 1. "Newly constructed dwelling" means residential real
18 property that has not been previously occupied since its construction and for which
19 the building permit for construction was issued on or after [October 1, 1994] JULY 1,
20 1994.

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

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

1 (iv) "Homeowner" has the meaning stated in § 9-105(a)(3) of this
2 title.

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

7 (3) A property tax credit granted under this subsection may not exceed
8 the amount of county property tax imposed on the real property, less the amount of
9 any other credit applicable in that year, multiplied by:

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

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

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

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

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

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

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

23 (i) purchasing a newly constructed dwelling or first purchased
24 dwelling;

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

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

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

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

35 (6) The estimated amount of all tax credits received by owners under this
36 subsection in any fiscal year shall be reported by the Director of Finance of Baltimore

1 City as a "tax expenditure" for that fiscal year and shall be included in the publication
2 of the City's budget for any subsequent fiscal year with the estimated or actual City
3 property tax revenue for the applicable fiscal year.

4 (7) (i) After June 30, 2000, additional owners of newly constructed
5 dwellings or first purchased dwellings may not be granted a credit under this
6 subsection.

7 (ii) This paragraph does not apply to an owner's continuing receipt
8 of a credit as allowed in paragraph (3) of this subsection, with respect to a property for
9 which a tax credit under this subsection was received for a taxable year ending on or
10 before June 30, 2000.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 1998.