By: **Delegates Campbell and McHale** Introduced and read first time: February 7, 2000 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 3							
4 5 6 7 8 9	property tax credit against the local property tax imposed on newly constructed dwellings or first purchased dwellings under certain circumstances; and generally relating to the property tax credit for newly constructed dwellings or						
10 11 12 13 14	 2 Section 9-304(d) 3 Annotated Code of Maryland 						
15 16	5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 6 MARYLAND, That the Laws of Maryland read as follows:						
17	7 Article - Tax - Property						
18	9-304.						
19 20	(d) (1) (i) In this subsection the following words have the meanings indicated.						
	(ii) 1. "Newly constructed dwelling" means residential real property that has not been previously occupied since its construction and for which the building permit for construction was issued on or after October 1, 1994.						
	2. "Newly constructed dwelling" includes a "vacant dwelling" as defined in subsection (c)(1) of this section that has been rehabilitated in compliance with applicable local laws and regulations and has not been previously occupied since						

27 the rehabilitation.

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2 real property that is the	(iii) "First purchased dwelling" means owner-occupied residential 2 real property that is the first residence owned or purchased in Baltimore City by the 3 applicant for a property tax credit granted under this subsection.					
4 5 title.	(iv)	"Homeo	owner" has the meaning stated in § 9-105(a)(3) of this			
6 (2) The Mayor and City Council of Baltimore City may grant, by law, a 7 property tax credit under this subsection against the county property tax imposed on 8 newly constructed dwellings or first purchased dwellings that are owned by 9 qualifying owners.						
10 (3) Except as provided in paragraph (4) of this subsection, a property tax 11 credit granted under this subsection may not exceed the amount of county property 12 tax imposed on the real property, less the amount of any other credit applicable in 13 that year, multiplied by:						
14 15 the tax credit;	(i)	50% for	the first taxable year in which the property qualifies for			
1617 for the tax credit;	(ii)	40% for	the second taxable year in which the property qualifies			
 18 19 for the tax credit; 	(iii)	30% for	the third taxable year in which the property qualifies			
2021 for the tax credit;	(iv)	20% for	the fourth taxable year in which the property qualifies			
2223 the tax credit; and	(v)	10% for	the fifth taxable year in which the property qualifies for			
24	(vi)	0% for e	each taxable year thereafter.			
25 (4) (i) The Mayor and City Council of Baltimore may grant a property 26 tax credit for any newly constructed dwelling for which a building permit was issued 27 on or after July 1, 1994 but before October 1, 1994, provided that an application for a 28 property tax credit is submitted on or before August 31, 1998.						
 (ii) Subject to the limitations imposed under subparagraph (i) of this paragraph, a property tax credit granted under this subsection may not exceed the amount of county property tax imposed on the real property, less the amount of any other credit applicable in that year, multiplied by: 						
33		1.	30% for the taxable year beginning after June 30, 1998;			
34		2.	20% for the taxable year beginning after June 30, 1999;			
35 36 and		3.	10% for the taxable year beginning after June 30, 2000;			

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1	4. 0% for all taxable years thereafter.					
	(5) Owners of newly constructed dwellings or first purchased dwellings may qualify for the tax credit authorized by this subsection by:					
4 (i) 5 dwelling;	purchasing a newly constructed dwelling or first purchased					
6 (ii) 7 dwelling as their principal res	occupying the newly constructed dwelling or first purchased idence;					
8 (iii) 9 credit as a resident of Baltimo	filing a State income tax return during the period of the tax re City; and					
10 (iv) 11 and City Council of Baltimor	satisfying other requirements as may be provided by the Mayor e City.					
12 (6) The Mayor and City Council of Baltimore City may provide for 13 procedures necessary and appropriate for the submission of an application for and the 14 granting of a property tax credit under this subsection, including procedures for 15 granting partial credits for eligibility for less than a full taxable year.						
16 (7) The estimated amount of all tax credits received by owners under this 17 subsection in any fiscal year shall be reported by the Director of Finance of Baltimore 18 City as a "tax expenditure" for that fiscal year and shall be included in the publication 19 of the City's budget for any subsequent fiscal year with the estimated or actual City 20 property tax revenue for the applicable fiscal year.						
21[(8) (i)22dwellings or first purchased of23subsection.	After June 30, 2000, additional owners of newly constructed lwellings may not be granted a credit under this					
	This paragraph does not apply to an owner's continuing receipt graph (3) of this subsection, with respect to a property for subsection was received for a taxable year ending on or					
 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2000. 						

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