
By: **Delegates Rawlings, Fulton, and Marriott**
Introduced and read first time: February 11, 2000
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Reservoir Hill Redevelopment Tax Credits**

3 FOR the purpose of allowing a credit against the State income tax for certain costs of
4 rehabilitating certain real property; limiting the credit allowed for the
5 rehabilitation of any property to the amount assigned for the real property by a
6 certain organization; authorizing a certain organization to assign certain
7 available tax credits to certain real property; allowing certain unused credit to
8 be carried forward to certain taxable years under certain circumstances;
9 requiring the Mayor and City Council of Baltimore City to grant a property tax
10 credit on certain real property that is rehabilitated; providing for calculation of
11 the amount of the credit; providing for the application of this Act; and generally
12 relating to certain tax credits for the rehabilitation of certain real property.

13 BY adding to
14 Article - Tax - General
15 Section 10-718
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1999 Supplement)

18 BY adding to
19 Article - Tax - Property
20 Section 9-304(g)
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1999 Supplement)

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

25 **Article - Tax - General**

26 10-718.

27 (A) SUBJECT TO THE LIMITATIONS UNDER THIS SECTION, AN INDIVIDUAL OR
28 A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX AS

1 PROVIDED IN THIS SECTION FOR 75% OF THE COSTS OF REHABILITATING REAL
2 PROPERTY LOCATED IN THE RESERVOIR HILL AREA OF BALTIMORE CITY IN
3 ACCORDANCE WITH THE BALTIMORE CITY URBAN RENEWAL PLAN FOR RESERVOIR
4 HILL, AS AMENDED.

5 (B) FOR ANY REAL PROPERTY REHABILITATED, THE AGGREGATE CREDIT
6 ALLOWED UNDER THIS SECTION FOR THE CURRENT TAXABLE YEAR AND ALL
7 PRECEDING TAXABLE YEARS MAY NOT EXCEED THE AMOUNT OF THE CREDIT
8 ASSIGNED FOR THE REAL PROPERTY BY RESERVOIR HILL, H.O.P.E., INC. UNDER
9 SUBSECTION (C) OF THIS SECTION.

10 (C) RESERVOIR HILL, H.O.P.E., INC. MAY ASSIGN THE AGGREGATE AVAILABLE
11 TAX CREDIT FOR EACH CALENDAR YEAR UNDER SUBSECTION (D) OF THIS SECTION
12 TO REAL PROPERTY IN THE RESERVOIR HILL AREA OF BALTIMORE CITY IN NEED OF
13 REHABILITATION, AS DETERMINED BY RESERVOIR HILL, H.O.P.E., INC.

14 (D) (1) FOR EACH OF CALENDAR YEARS 2001, 2002, AND 2003, THE
15 AGGREGATE AVAILABLE TAX CREDIT UNDER THIS SECTION IS \$2,000,000.

16 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, FOR
17 CALENDAR YEARS AFTER 2003, THE AGGREGATE AVAILABLE TAX CREDIT FOR EACH
18 CALENDAR YEAR AFTER 2003 IS \$0.

19 (3) IF THE AGGREGATE AVAILABLE TAX CREDIT UNDER THIS SECTION
20 FOR ANY CALENDAR YEAR IS NOT FULLY ASSIGNED, THE AGGREGATE AVAILABLE
21 TAX CREDIT UNDER THIS SECTION FOR THE FOLLOWING CALENDAR YEAR SHALL BE
22 INCREASED BY THE AMOUNT NOT ASSIGNED.

23 (E) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR
24 EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN INDIVIDUAL OR A
25 CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME
26 TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

27 (1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

28 (2) THE EXPIRATION OF THE 5TH TAXABLE YEAR FROM THE TAXABLE
29 YEAR IN WHICH THE EXPENSES ON WHICH THE CREDIT IS BASED WERE INCURRED.

30 **Article - Tax - Property**

31 9-304.

32 (G) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY SHALL GRANT A
33 PROPERTY TAX CREDIT ON REAL PROPERTY THAT IS REHABILITATED IN
34 ACCORDANCE WITH THE CITY'S URBAN RENEWAL PLAN FOR RESERVOIR HILL, AS
35 AMENDED.

36 (2) FOR ANY TAXABLE YEAR DURING WHICH THE PROPERTY IS BEING
37 REHABILITATED, BUT NOT TO EXCEED A PERIOD OF 3 YEARS, THE PROPERTY TAX
38 CREDIT UNDER PARAGRAPH (1) OF THIS SECTION SHALL BE GRANTED IN AN AMOUNT

1 EQUAL TO 100% OF THE COUNTY PROPERTY TAX IMPOSED ON THE REAL PROPERTY
2 THAT IS BEING REHABILITATED.

3 (3) FOR EACH OF THE 5 TAXABLE YEARS AFTER THE TAXABLE YEAR IN
4 WHICH THE REHABILITATION OF THE PROPERTY IS COMPLETE, THE PROPERTY TAX
5 CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE GRANTED IN AN
6 AMOUNT EQUAL TO THE COUNTY PROPERTY TAX IMPOSED ON THE INCREASED
7 VALUE OF THE PROPERTY THAT IS DUE TO THE IMPROVEMENTS MADE TO THE
8 PROPERTY MULTIPLIED TIMES:

9 (I) 100% FOR THE FIRST AND SECOND TAXABLE YEARS AFTER THE
10 TAXABLE YEAR IN WHICH THE REHABILITATION OF THE PROPERTY IS COMPLETE;

11 (II) 80% FOR THE THIRD TAXABLE YEAR AFTER THE TAXABLE YEAR
12 IN WHICH THE REHABILITATION OF THE PROPERTY IS COMPLETE;

13 (III) 60% FOR THE FOURTH TAXABLE YEAR AFTER THE TAXABLE
14 YEAR IN WHICH THE REHABILITATION OF THE PROPERTY IS COMPLETE; AND

15 (IV) 40% FOR THE FIFTH TAXABLE YEAR AFTER THE TAXABLE YEAR
16 IN WHICH THE REHABILITATION OF THE PROPERTY IS COMPLETE.

17 (4) THE PROPERTY TAX CREDIT UNDER PARAGRAPH (1) OF THIS
18 SUBSECTION MAY NOT BE GRANTED AFTER THE FIFTH TAXABLE YEAR AFTER THE
19 TAXABLE YEAR IN WHICH THE REHABILITATION OF THE PROPERTY IS COMPLETE.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2000. The income tax credit provided under § 10-718 of the Tax - General
22 Article as enacted under Section 1 of this Act shall be applicable to all taxable years
23 beginning after December 31, 2000. The property tax credit under § 9-304(g) of the
24 Tax - Property Article as enacted under Section 1 of this Act shall be applicable to all
25 taxable years beginning on or after July 1, 2001.