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By: **Delegate Marriott**

Introduced and read first time: February 24, 2005

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

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

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

8 BY repealing and reenacting, with amendments,  
9 Article - Tax - Property  
10 Section 9-304(d)  
11 Annotated Code of Maryland  
12 (2001 Replacement Volume and 2004 Supplement)

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

15 **Article - Tax - Property**

16 9-304.

17 (d) (1) (i) In this subsection the following words have the meanings  
18 indicated.

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

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

26 (iii) "Homeowner" has the meaning stated in § 9-105(a)(3) of this  
27 title.

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

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

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

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

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

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

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

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

18           (4)     Owners of newly constructed dwellings may qualify for the tax credit  
19 authorized by this subsection by:

20                   (i)     purchasing a newly constructed dwelling;

21                   (ii)    occupying the newly constructed dwelling as their principal  
22 residence;

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

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

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

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

1                   (7)       (i)       After June 30, [2005] 2007, additional owners of newly  
2 constructed dwellings may not be granted a credit under this subsection.

3                               (ii)       This paragraph does not apply to an owner's continuing receipt  
4 of a credit as allowed in paragraph (3) of this subsection, with respect to a property for  
5 which a tax credit under this subsection was received for a taxable year ending on or  
6 before June 30, [2005] 2007.

7       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 July 1, 2005.