
By: **Senators Conway, Della, Gladden, Hughes, Jones, and McFadden**

Introduced and read first time: January 31, 2005

Assigned to: Budget and Taxation

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 for certain provisions of law that
 4 authorize the Mayor and City Council of Baltimore City to grant certain
 5 homeowners a property tax credit against the local property tax imposed on
 6 newly constructed dwellings; altering the formula for determining the amount of
 7 the property tax credit; and generally relating to property tax credits for newly
 8 constructed dwellings in Baltimore City.

9 BY repealing and reenacting, with amendments,
 10 Article - Tax - Property
 11 Section 9-304(d)
 12 Annotated Code of Maryland
 13 (2001 Replacement Volume and 2004 Supplement)

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

16 **Article - Tax - Property**

17 9-304.

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

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

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

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

1 (2) (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
2 PARAGRAPH, THE Mayor and City Council of Baltimore City may grant, by law, a
3 property tax credit under this subsection against the county property tax imposed on
4 newly constructed dwellings that are owned by qualifying owners.

5 (II) THE CREDIT UNDER THIS SUBSECTION DOES NOT APPLY TO
6 NEWLY CONSTRUCTED DWELLINGS LOCATED IN A TAX INCREMENT FINANCING
7 DEVELOPMENT DISTRICT, AS DEFINED IN § 62 OF THE CHARTER OF BALTIMORE CITY.

8 (3) A property tax credit granted under this subsection may not exceed
9 the LESSER OF THE amount of county property tax imposed on \$450,000 OR the
10 ASSESSED VALUE OF THE real property, less the amount of any other credit applicable
11 in that year, multiplied by:

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

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

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

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

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

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

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

25 (i) purchasing a newly constructed dwelling;

26 (ii) occupying the newly constructed dwelling as their principal
27 residence;

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

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

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

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

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

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2005.