

SENATE BILL 126

Q2

8lr1283

By: **Senator Gladden**

Introduced and read first time: January 18, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Property Tax Credit for Newly Constructed Dwellings –**
3 **Hillsdale Heights Neighborhood Association Dwellings**

4 FOR the purpose of exempting certain homeowners from a certain filing deadline
5 pertaining to an application for a Baltimore City property tax credit for a
6 certain newly constructed dwelling during a certain time period; and generally
7 relating to a property tax credit in Baltimore City for newly constructed
8 dwellings.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 9–304(d)
12 Annotated Code of Maryland
13 (2007 Replacement Volume)

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 the
22 building permit for construction was issued on or after October 1, 1994.

23 2. “Newly constructed dwelling” includes a “vacant
24 dwelling” as defined in subsection (c)(1) of this section that has been rehabilitated in

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 compliance with applicable local laws and regulations and has not been previously
2 occupied since the rehabilitation.

3 (iii) "Homeowner" has the meaning stated in § 9–105(a)(3) of this
4 title.

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

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

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

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

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

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

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

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

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

24 [(i)] 1. purchasing a newly constructed dwelling;

25 [(ii)] 2. occupying the newly constructed dwelling as their
26 principal residence;

27 [(iii)] 3. filing a State income tax return during the period of
28 the tax credit as a resident of Baltimore City; and

29 [(iv)] 4. satisfying other requirements as may be provided by
30 the Mayor and City Council of Baltimore City.

31 (II) **REGARDLESS OF ANY FILING DEADLINE REQUIRED BY**
32 **BALTIMORE CITY, A HOMEOWNER WHO PURCHASED A NEWLY CONSTRUCTED**

1 **DWELLING WITHIN THE HILLSDALE HEIGHTS NEIGHBORHOOD ASSOCIATION**
2 **AFTER DECEMBER 31, 2004, AND HAS NOT RECEIVED A TAX CREDIT UNDER THIS**
3 **SUBSECTION AS OF JULY 1, 2008, SHALL BE ELIGIBLE FOR A TAX CREDIT UNDER**
4 **THIS SUBSECTION IF THE HOMEOWNER MEETS ALL OTHER REQUIREMENTS**
5 **UNDER THIS SUBSECTION AND ALL OTHER REQUIREMENTS ADOPTED BY**
6 **BALTIMORE CITY UNDER THIS SUBSECTION.**

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

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

16 (7) (i) After June 30, 2009, additional owners of newly constructed
17 dwellings may not be granted a credit under this subsection.

18 (ii) This paragraph does not apply to an owner's continuing
19 receipt of a credit as allowed in paragraph (3) of this subsection, with respect to a
20 property for which a tax credit under this subsection was received for a taxable year
21 ending on or before June 30, 2009.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2008.