

SENATE BILL 267

Q2

4lr1225
CF 4lr1160

By: **Baltimore City Senators (By Request – Baltimore City Administration)**

Introduced and read first time: January 17, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Property Tax Credit – Newly Constructed Dwellings**

3 FOR the purpose of extending the period of time during which owners of newly
4 constructed dwellings in Baltimore City may qualify for a property tax credit;
5 repealing certain provisions of law allowing for an amnesty period for owners
6 who were denied the tax credit for failing to meet the application deadline;
7 providing for the application of this Act; and generally relating to the property
8 tax credit for newly 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 (2012 Replacement Volume and 2013 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 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) "Owner" means "homeowner" as defined in § 9-105 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) Notwithstanding the credit amount calculated under paragraph (3)
23 of this subsection, the Mayor and City Council of Baltimore City may establish, by
24 law, maximum limits on the cumulative property tax credit allowed under this
25 subsection or on the amount of the credit allowed for any year.

26 (5) Owners of newly constructed dwellings may qualify for the tax
27 credit authorized by this subsection by:

28 (i) purchasing a newly constructed dwelling;

29 (ii) occupying the newly constructed dwelling as their principal
30 residence;

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

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

3 (6) (i) The Mayor and City Council of Baltimore City may provide,
4 by law, for two application periods during which owners can apply for the property tax
5 credit under this subsection, one that is based on the purchase date of the dwelling
6 and one that is based on the date of the assessment notice.

7 (ii) [1. The Mayor and City Council of Baltimore City may
8 provide, by law, for a one-time amnesty period for owners who were previously denied
9 the tax credit for failing to meet the application deadline.

10 2. The amnesty period shall begin at the time the tax
11 credit is reauthorized by the Mayor and City Council of Baltimore City and shall end
12 60 days thereafter.

13 3. Only owners who were eligible for the tax credit on or
14 after January 1, 2005, may be eligible to apply for the credit during the amnesty
15 period.

16 4.] If granted, the tax credit shall be applied against the
17 owner's property taxes as long as the owner remains the owner-occupant of the
18 dwelling for which the credit is received.

19 (iii) The Mayor and City Council of Baltimore City shall provide
20 for any procedures necessary and appropriate for implementing the application [and
21 amnesty] periods.

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

26 (8) The estimated amount of all tax credits received by owners under
27 this subsection in any fiscal year shall be reported by the Director of Finance of
28 Baltimore City as a "tax expenditure" for that fiscal year and shall be included in the
29 publication of the City's budget for any subsequent fiscal year with the estimated or
30 actual City property tax revenue for the applicable fiscal year.

31 (9) (i) After June 30, [2014] **2019**, additional owners of newly
32 constructed dwellings may not be granted a credit under this subsection.

33 (ii) This paragraph does not apply to an owner's continuing
34 receipt of a credit as allowed in paragraph (3) of this subsection, with respect to a
35 property for which a tax credit under this subsection was received for a taxable year
36 ending on or before June 30, [2014] **2019**.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2014, and shall be applicable to all taxable years beginning after June 30,
3 2014.