

**CITY OF BALTIMORE
COUNCIL BILL 08-0195
(First Reader)**

Introduced by: Councilmembers Kraft, Cole, Henry, Young, D'Adamo, Conaway, Reisinger,
Clarke, Spector, Welch, Middleton, Branch

Introduced and read first time: September 8, 2008

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of
Housing and Community Development, Department of Real Estate, Department of Finance,
Baltimore Development Corporation

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Property Tax Credits – Newly Constructed Dwellings**

3 FOR the purpose of extending the time for filing applications for a credit against the tax imposed
4 on newly constructed dwellings; providing a grace period for certain dwellings previously
5 purchased; repealing an obsolete provision; altering the termination date of the credit
6 program; and generally relating to property tax credits for newly constructed dwellings.

7 BY repealing and reordaining, with amendments

8 Article 28 - Taxes

9 Section(s) 10-5(c), (d), and (j)

10 Baltimore City Code

11 (Edition 2000)

12 BY repealing

13 Article 28 - Taxes

14 Section(s) 10-5(e)

15 Baltimore City Code

16 (Edition 2000)

17 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
18 Laws of Baltimore City read as follows:

19 **Baltimore City Code**

20 **Article 28. Taxes**

21 **Subtitle 10. Credits**

22 **§ 10-5. Newly constructed dwellings.**

23 (c) *Qualifications.*

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 The owner of a newly constructed dwelling may qualify for the tax credit authorized by
2 this section by:

- 3 (1) purchasing a newly constructed dwelling;
- 4 (2) occupying that dwelling as his or her principal residence;
- 5 (3) filing an application for the credit no later than [90 days] 1 YEAR after settling on
6 the purchase of the dwelling;
- 7 (4) for each taxable year for which the credit is sought, filing a state income tax
8 return as a resident of Baltimore City; and
- 9 (5) satisfying all other conditions imposed by the regulations of the Director of
10 Finance.

11 (d) *Amount of credit [- in general].*

12 A property tax credit granted under this section may not exceed the amount of property
13 tax imposed on the real property, less the amount on any other credit applicable in that
14 year, multiplied by:

- 15 (1) 50% for the 1st taxable year in which the property qualifies for the tax credit;
- 16 (2) 40% for the 2nd taxable year in which the property qualifies for the tax credit;
- 17 (3) 30% for the 3rd taxable year in which the property qualifies for the tax credit;
- 18 (4) 20% for the 4th taxable year in which the property qualifies for the tax credit;
- 19 (5) 10% for the 5th taxable year in which the property qualifies for the tax credit; and
- 20 (6) 0% for each SUBSEQUENT taxable year [thereafter].

21 [(e) *Amount of credit – certain dwellings for which permits issued July - October 1994.*

22 (1) Notwithstanding any other provision of this section, the property tax credit granted by
23 this section applies to a newly constructed dwelling for which a building permit was
24 issued before October 1, 1994, but on or after July 1, 1994, if an application for the
25 credit is submitted on or before August 31, 1998.

26 (2) A property tax credit granted under this subsection may not exceed the amount of the
27 property tax imposed on the real property, less the amount of any other credit
28 applicable in that year, multiplied by:

- 29 (i) 30% for the taxable year beginning on July 1, 1998;
- 30 (ii) 20% for the taxable year beginning on July 1, 1999;

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1 (iii) 10% for the taxable year beginning on July 1, 2000; and

2 (iv) 0% for all subsequent taxable years.]

3 (j) *Termination of program.*

4 (1) After June 30, [2009] 2011, additional owners of newly constructed dwellings may
5 not be granted a credit under this section.

6 (2) This subsection does not apply to an owner's continuing receipt of a credit as allowed
7 in subsection (d) with respect to a property for which a tax credit under this section
8 was received for a taxable year ending on or before June 30, [2009] 2011.

9 **SECTION 2. AND BE IT FURTHER ORDAINED,** That, notwithstanding the requirements of
10 Article 28, § 10-5(c)(3), the property tax credit granted by Article 28, § 10-5 applies to any
11 newly constructed dwelling purchased on or after July 1, 2007, if (i) an application for the credit
12 is filed within 1 year of the effective date of this Ordinance, and (ii) the dwelling and
13 homeowner otherwise qualify for the credit.

14 **SECTION 3. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
15 are not law and may not be considered to have been enacted as a part of this or any prior
16 Ordinance.

17 **SECTION 4. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
18 after the date it is enacted.