

**CITY OF BALTIMORE
COUNCIL BILL 05-0280
(First Reader)**

Introduced by: Councilmembers Reisinger, Kraft, D'Adamo, Young, Clarke, Conaway, Spector,
Rawlings Blake, Curran, Holton, Branch, Harris, Welch, Mitchell

Introduced and read first time: November 7, 2005

Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of
Housing and Community Development, Department of Finance, Department of Real Estate,
Commission for Historical and Architectural Preservation, Board of Estimates

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; and generally relating to property tax credits for
6 newly constructed dwellings.

7 BY repealing and reordaining, with amendments

8 Article 28 - Taxes
9 Section(s) 10-5(c) and (d)
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**

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

1 **§ 10-5. Newly constructed dwellings.**

2 (c) *Qualifications.*

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

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

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

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

- 17 (1) 50% for the 1st taxable year in which the property qualifies for the tax credit;
- 18 (2) 40% for the 2nd taxable year in which the property qualifies for the tax credit;
- 19 (3) 30% for the 3rd taxable year in which the property qualifies for the tax credit;
- 20 (4) 20% for the 4th taxable year in which the property qualifies for the tax credit;
- 21 (5) 10% for the 5th taxable year in which the property qualifies for the tax credit; and
- 22 (6) 0% for each SUBSEQUENT taxable year [thereafter].

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

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

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

- 31 (i) 30% for the taxable year beginning on July 1, 1998;

1 (ii) 20% for the taxable year beginning on July 1, 1999;

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

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

4 **SECTION 2. AND BE IT FURTHER ORDAINED,** That, notwithstanding the requirements of
5 Article 28, § 10-5(c)(3), the property tax credit granted by Article 28, § 10-5 applies to any
6 newly constructed dwelling purchased on or after July 1, 2002, if (i) an application for the credit
7 is filed within 1 year of the effective date of this Ordinance, and (ii) the dwelling and
8 homeowner otherwise qualify for the credit.

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

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