

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 94 (Chairman, Budget and Taxation Committee)
(Departmental - Assessments and Taxation)
Budget and Taxation

Property Tax - Operating Property - Estimated Taxes

This departmental bill authorizes local governments to provide for the payment of estimated taxes on operating property of public utilities and railroads if the Department of Assessments and Taxation has not certified an assessment by September 1 of a taxable year. Payment of interest on overdue amounts and refunds for overpayments are also provided for.

This bill is effective June 1, 1996.

Fiscal Summary

State Effect: None.

Local Effect: None, as described below.

Small Business Effect: The Department of Assessments and Taxation has determined that this bill has no impact on small business (attached). Fiscal Services concurs with this assessment.

Fiscal Analysis

Local Effect: If all assessments are certified by September 1 (the Department of Assessments and Taxation currently certifies public utility and railroad assessments by July 1) this bill will not have any effect. If the department is late in certifying an assessment for any reason, local governments can require estimated taxes which should prevent cash flow problems. Such problems could occur since utility and railroad assessments can be relatively large. Taxpayers will receive a refund in the case of an overpayment, and be billed in case of an underpayment. In no case would tax liability be affected. To the extent that payments are

received earlier through estimated taxes, interest earnings could increase. Any such effect is expected to be minimal.

Information Source(s): Department of Assessments and Taxation, Baltimore City, Fruitland, Brentwood, Department of Fiscal Services

Fiscal Note History: First Reader - January 18, 1996

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