

HOUSE BILL 1048

Q1

11r2160

By: **Delegate Hucker**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax – Financial Institutions – Repeal of Tax Exemptions**

3 FOR the purpose of repealing certain property tax exemptions for certain personal
4 property owned by certain financial institutions; providing for the application of
5 this Act; and generally relating to the repeal of certain property tax exemptions
6 for certain personal property owned by certain financial institutions.

7 BY repealing

8 Article – Tax – Property

9 Section 7–221 and 7–221.1

10 Annotated Code of Maryland

11 (2007 Replacement Volume and 2010 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Tax – Property**

15 [7–221.

16 (a) Personal property is not subject to valuation or to property tax, if the
17 personal property is owned by:

18 (1) a financial institution as defined in § 8–101(c) of the Tax – General
19 Article other than a savings and loan association as defined in § 7–221.1 of this
20 subtitle; or

21 (2) a federal or State chartered credit union.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) This exemption does not include any personal property that is leased,
2 loaned, or made available by the institution for the use of a person whose business is
3 not that of the institution.]

4 [7-221.1.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) "Bank or trust company" means:

7 (i) a commercial bank;

8 (ii) a savings bank;

9 (iii) a trust company; or

10 (iv) a company that substantially competes with national banks
11 in the State.

12 (3) "Savings and loan association" means a savings and loan
13 association that:

14 (i) is organized under the laws of the State;

15 (ii) is organized under the laws of another state and is admitted
16 to do business in this State; or

17 (iii) is organized under the laws of the United States and has an
18 office in this State.

19 (b) Except as provided in subsection (c) of this section, personal property is
20 not subject to valuation or to property tax, if the personal property:

21 (1) is owned by a bank or trust company or a savings and loan
22 association and is used in connection with the processing of deposits or loans of the
23 bank or trust company or savings and loan association;

24 (2) is a computer program, as defined in § 11-225(a) of the
25 Tax – General Article, or computer hardware; and

26 (3) is not used in connection with word processing.

27 (c) The exemption under this section does not apply to any personal property
28 that is leased, loaned, or made available by a bank or trust company or a savings and
29 loan association for the use of a person that is not a bank or trust company or savings
30 and loan association.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2011, and shall be applicable to all taxable years beginning after June 30,
3 2011.