

SB0236/813320/2

BY: Senator Glassman

AMENDMENTS TO SENATE BILL 236
(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 4, after “system;” insert “authorizing an owner of agricultural land to claim a credit against the State income tax for certain diminution in value of real property resulting from the enactment of this Act in a certain amount in certain taxable years if substantiated in a certain manner; authorizing the Comptroller to adopt certain regulations;”; and after line 22, insert:

“BY adding to

Article – Tax – General

Section 10-731

Annotated Code of Maryland

(2010 Replacement Volume and 2011 Supplement)”.

AMENDMENT NO. 2

On page 13, after line 14, insert:

“Article – Tax – General

10-731.

(A) IN THIS SECTION, “AGRICULTURAL LAND” MEANS REAL PROPERTY THAT IS ASSESSED ON THE BASIS OF FARM OR AGRICULTURAL USE UNDER § 8-209 OF THE TAX – PROPERTY ARTICLE.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN OWNER OF AGRICULTURAL LAND MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO ANY DIMINISHED VALUE OF THE REAL PROPERTY THAT

(Over)

OCCURS AS A RESULT OF THE ENACTMENT OF THE SUSTAINABLE GROWTH AND AGRICULTURAL PRESERVATION ACT OF 2012 (CHAPTER (S.B. 236) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2012).

(C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION IS THE AMOUNT BY WHICH THE FAIR MARKET VALUE OF THE PROPERTY BEFORE THE ENACTMENT OF THE SUSTAINABLE GROWTH AND AGRICULTURAL PRESERVATION ACT OF 2012 EXCEEDS THE FAIR MARKET VALUE OF THE PROPERTY WITHIN 5 YEARS AFTER THE ENACTMENT OF THE ACT.

(2) (I) THE FAIR MARKET VALUE OF THE PROPERTY BEFORE AND AFTER THE ENACTMENT OF THE SUSTAINABLE GROWTH AND AGRICULTURAL PRESERVATION ACT OF 2012 SHALL BE SUBSTANTIATED BY AN APPRAISAL PREPARED BY A CERTIFIED REAL ESTATE APPRAISER, AS DEFINED UNDER § 16-101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

(II) IN DETERMINING THE BEFORE VALUE OF THE REAL PROPERTY, THE APPRAISER SHALL CONSIDER:

1. THE EXISTING USE AND ZONING OF THE PROPERTY;

2. ANY CONSERVATION, AGRICULTURAL PRESERVATION, HISTORIC PRESERVATION, OR OTHER EASEMENTS, LAWS, OR REGULATIONS THAT RESTRICT THE USE OF THE PROPERTY; AND

3. THE LIKELIHOOD THAT THE PROPERTY WOULD BE DEVELOPED ABSENT THE SPECIFIC RESTRICTIONS IMPOSED BY THE SUSTAINABLE GROWTH AND AGRICULTURAL PRESERVATION ACT OF 2012.

(III) IN DETERMINING THE AFTER VALUE OF THE REAL PROPERTY, THE APPRAISER SHALL CONSIDER THE SPECIFIC RESTRICTIONS IMPOSED BY THE SUSTAINABLE GROWTH AND AGRICULTURAL PRESERVATION ACT OF 2012 ON THE PROPERTY AND ON COMPARABLE PROPERTIES.

(3) TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION, AN OWNER OF AGRICULTURAL LAND SHALL PROVIDE TO THE COMPTROLLER WITH THE OWNER'S INCOME TAX RETURN FOR THE TAXABLE YEAR IN WHICH THE CREDIT IS CLAIMED:

(I) THE APPRAISAL REQUIRED BY PARAGRAPH (2) OF THIS SUBSECTION; AND

(II) ANY ADDITIONAL INFORMATION REQUIRED IN REGULATION BY THE COMPTROLLER.

(D) (1) FOR ANY TAXABLE YEAR, THE CREDIT CLAIMED UNDER THIS SECTION MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR.

(2) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN OWNER OF AGRICULTURAL LAND MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE EXCESS IS USED.

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(E) THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.