

SENATE BILL 251

Q1

3lr0998

By: **Senators Brinkley, Colburn, Garagiola, Glassman, Klausmeier, Mathias, Shank, and Young**

Introduced and read first time: January 18, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax – Depreciation of Assessed Value**

3 FOR the purpose of establishing a certain annual depreciation rate for purposes of
4 assessing the value of personal property; authorizing the State Department of
5 Assessments and Taxation to establish different annual depreciation rates for
6 personal property under certain circumstances; declaring the intent of this Act;
7 providing for the application of this Act; and generally relating to the personal
8 property tax.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 8–107
12 Annotated Code of Maryland
13 (2012 Replacement Volume)

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

16 **Article – Tax – Property**

17 8–107.

18 (a) Except as provided under § 8–110 of this subtitle, the value of personal
19 property shall be its value on the date of finality.

20 (b) In valuing any personal property acquired by purchase, lease purchase,
21 or other similar agreement for transfer of title to the personal property after a period
22 of its use, the Department shall consider any sum that is paid to acquire the personal
23 property.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE OR IN**
2 **REGULATIONS ADOPTED BY THE DEPARTMENT UNDER PARAGRAPH (2) OF THIS**
3 **SUBSECTION, IN THE ASSESSMENT OF PERSONAL PROPERTY A 10 PERCENT**
4 **RATE OF DEPRECIATION PER YEAR SHALL BE APPLIED TO THE ORIGINAL COST**
5 **OF THE PROPERTY, AND IN THE ELEVENTH YEAR THE ASSESSED VALUE OF THE**
6 **PERSONAL PROPERTY SHALL BE \$0.**

7 **(2) THE DEPARTMENT MAY ESTABLISH BY REGULATION**
8 **DIFFERENT ANNUAL RATES OF DEPRECIATION FOR SPECIFIC TYPES OF**
9 **PERSONAL PROPERTY BASED ON THE EXPECTED LIFE OF THE PERSONAL**
10 **PROPERTY OR OTHER ESTABLISHED CRITERIA.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
12 General Assembly that this Act nullify the third sentence of subsection (A) of section
13 18.03.01.02 of the Code of Maryland Regulations that established a minimum
14 depreciated value of most personal property at 25 percent of the original cost.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 June 1, 2013, and shall be applicable to all taxable years beginning after June 30,
17 2013.