

HOUSE BILL 259

Q1

5lr0891

By: **Delegates B. Robinson, Chang, and McComas**

Introduced and read first time: February 4, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax – Maximum Rate – Small Business**

3 FOR the purpose of establishing a maximum county property tax rate for personal property
4 owned by certain businesses organizing in or moving into the State during a certain
5 time period; and generally relating to the personal property tax for certain
6 businesses in the State.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – Property
9 Section 6–302
10 Annotated Code of Maryland
11 (2012 Replacement Volume and 2014 Supplement)

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

14 **Article – Tax – Property**

15 6–302.

16 (a) Except as otherwise provided in this section and after complying with § 6–305
17 of this subtitle, in each year after the date of finality and before the following July 1, the
18 Mayor and City Council of Baltimore City or the governing body of each county annually
19 shall set the tax rate for the next taxable year on all assessments of property subject to that
20 county’s property tax.

21 (b) (1) Except as provided in [subsection] **SUBSECTIONS (c) AND (D)** of this
22 section, §§ 6–305 and 6–306 of this subtitle and § 6–203 of this title:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) there shall be a single county property tax rate for all real
2 property subject to county property tax except for operating real property described in §
3 8–109(c) of this article; and

4 (ii) the county tax rate applicable to personal property and the
5 operating real property described in § 8–109(c) of this article shall be no more than 2.5
6 times the rate for real property.

7 (2) Paragraph (1) of this subsection does not affect a special rate prevailing
8 in a taxing district or part of a county.

9 (c) (1) Intangible personal property is subject to county property tax as
10 otherwise provided in this title at a rate set annually, if:

11 (i) the intangible personal property has paid interest or dividends
12 during the 12 months that precede the date of finality;

13 (ii) interest or dividends were withheld on the intangible personal
14 property during the 12 months that precede the date of finality to avoid the tax under this
15 subsection;

16 (iii) the intangible personal property consists of newly issued bonds,
17 certificates of indebtedness, or evidences of debt on which interest is not in default; or

18 (iv) a stock dividend has been declared on the intangible personal
19 property during the 12 months that precede the date of finality.

20 (2) The county tax rate for the intangible personal property is 30 cents for
21 each \$100 of assessment.

22 **(D) DURING THE PERIOD FROM JULY 1, 2015, TO JUNE 30, 2020, THE**
23 **PROPERTY TAX RATE IMPOSED BY A COUNTY ON PERSONAL PROPERTY MAY NOT**
24 **EXCEED \$1.83 PER \$100 OF ASSESSMENT IF:**

25 **(1) THE PROPERTY IS OWNED BY A BUSINESS WITH LESS THAN**
26 **\$100,000 IN REVENUE DURING THE CURRENT TAX YEAR; AND**

27 **(2) (I) THE BUSINESS HAS ORGANIZED UNDER THE LAWS OF THE**
28 **STATE DURING THE CURRENT TAX YEAR; OR**

29 **(II) THE BUSINESS HAS RELOCATED ITS HEADQUARTERS TO**
30 **THE STATE DURING THE CURRENT TAX YEAR.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
32 1, 2015.