

HOUSE BILL 420

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1998 Regular Session
8r1917
CF SB 147

By: **Delegates Goldwater, Shriver, Kopp, Genn, Love, V. Mitchell, Kach,
Exum, Kelly, Eckardt, McClenahan, Pitkin, DeCarlo, Klausmeier,
Hixson, Hurson, Bonsack, Frank, Busch, Pendergrass, and ~~Morhaim~~
Morhaim, and Howard Howard, and Finifter**

Introduced and read first time: February 2, 1998
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted with floor amendments
Read second time: March 20, 1998

CHAPTER _____

1 AN ACT concerning

2 **Personal Property Tax - Small Businesses**

3 FOR the purpose of ~~exempting from valuation and property tax personal property~~
4 ~~owned and exclusively used by certain business entities owning certain tangible~~
5 ~~personal property with a total original cost of less than a certain amount~~
6 authorizing the governing body of a county or municipal corporation to grant, by
7 law, a property tax exemption for certain personal property with a total original
8 cost of less than a certain amount that is owned and exclusively used by certain
9 business entities; defining a certain term; providing for the application of this
10 Act; and generally relating to the personal property taxation of certain business
11 entities owning certain tangible personal property with a total original cost of
12 less than a certain amount.

13 BY adding to
14 Article - Tax - Property
15 Section ~~7-241~~ 7-512
16 Annotated Code of Maryland
17 (1994 Replacement Volume and 1997 Supplement)

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

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Article - Tax - Property2 ~~7-244~~ 7-512.

3 (A) IN THIS SECTION, "SMALL BUSINESS" MEANS A BUSINESS ENTITY THAT
4 OWNS TANGIBLE PERSONAL PROPERTY WITH A TOTAL ORIGINAL COST OF LESS
5 THAN \$10,000, EXCLUDING VEHICLES EXEMPT UNDER § 7-230 OF THIS SUBTITLE.

6 ~~(B) PERSONAL PROPERTY THAT IS OWNED AND EXCLUSIVELY USED BY A
7 SMALL BUSINESS IS NOT SUBJECT TO VALUATION OR TO PROPERTY TAX.~~

8 (B) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY
9 GRANT, BY LAW, A PROPERTY TAX EXEMPTION FOR PERSONAL PROPERTY THAT IS
10 OWNED AND EXCLUSIVELY USED BY A SMALL BUSINESS.

11 (C) IF THE DEPARTMENT RECEIVES A COPY OF THE LAW ON OR BEFORE
12 MARCH 1, THE EXEMPTION SHALL BE EFFECTIVE FOR THE TAXABLE YEAR
13 FOLLOWING THE DATE THE LAW IS ENACTED.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 1998 and shall be applicable to all taxable years beginning after June 30,
16 1999.