

SENATE BILL 74

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1998 Regular Session
8lr6003

(PRE-FILED)

By: **Chairman, Budget and Taxation Committee (Departmental -
Assessments and Taxation)**

Requested: October 8, 1997

Introduced and read first time: January 14, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax - Exemptions**

3 FOR the purpose of exempting the farm implements and livestock of a farmer from
4 valuation and property tax; clarifying that personal property is subject to
5 municipal taxation unless exempted by law; altering certain personal property
6 tax exemptions; repealing obsolete provisions; making stylistic changes; and
7 generally relating to personal property tax exemptions.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - Property
10 Section 7-108(a), 7-109(a), 7-222, 7-223, 7-224, 7-225, and 7-226
11 Annotated Code of Maryland
12 (1994 Replacement Volume and 1997 Supplement)

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

15 **Article - Tax - Property**

16 7-108.

17 (a) The [Mayor and City Council of Baltimore City or the] governing body of
18 a county may reduce, by law, the percent of the assessment of any personal property
19 that is subject to the county property tax under § 7-222[, § 7-224,] OR § 7-225[, or
20 § 7-226] of this title.

21 7-109.

22 (a) The personal property described in §§ 7-222, [7-223, 7-224,] 7-225, and
23 7-226 of this title is subject to [or exempt from] the municipal corporation property
24 tax [to the extent authorized] UNLESS EXEMPTED IN FULL OR IN PART by the
25 governing body of the municipal corporation by law.

1 7-222.

2 (a) Except as provided in § 7-109 of this title and in subsection (b) of this
3 section, the stock in business of a person engaged in a manufacturing or commercial
4 business is not subject to property tax.

5 (b) Except as provided by § 7-108 of this title, the personal property described
6 in subsection (a) of this section is subject [in any county listed in this subsection] to
7 a county property tax on[:

8 (1) 60%] 35% of its assessment in [Somerset and] Wicomico [counties];

9 (2) 50% of its assessment in Dorchester and Washington counties;

10 (3) 50% of its assessment, less \$200,000, in St. Mary's County, subject to
11 the power of the governing body of the county by law to exempt the remainder of the
12 assessment from the county property tax;

13 (4) 20% of its assessment in Allegany County; and

14 (5) 18% of its assessment in Baltimore] County.

15 7-223.

16 [Except as provided in § 7-109 of this title, the] THE farming implements
17 owned or leased by a farmer are not subject to valuation or property tax.

18 7-224.

19 [(a) Except as provided in § 7-109 of this title and in subsection (b) of this
20 section, the] THE livestock of a farmer is not subject to valuation or to property tax.

21 [(b) Except as provided by § 7-108 of this title, the personal property described
22 in subsection (a) of this section is subject to a county property tax on 100% of its
23 assessment in Allegany County and Baltimore City.]

24 7-225.

25 (a) Except as provided in § 7-109 of this title and in subsection (b) of this
26 section, if used in manufacturing, the following personal property, however operated
27 and whether or not in use, is not subject to property tax:

28 (1) tools;

29 (2) implements;

30 (3) machinery; or

31 (4) manufacturing apparatus or engines.

1 (b) Except as provided by § 7-108 of this title, the personal property listed in
2 subsection (a) of this section is subject to a county property tax on:

3 (1) 100% of its assessment in Allegany County, [Dorchester County,]
4 Garrett County, Somerset County, Wicomico County, and Worcester County; and

5 (2) [75%] 60% of its assessment in [Washington] DORCHESTER County.

6 (c) Property does not qualify for the exemption under this section if the
7 property is used primarily in administration, management, sales, storage, shipping,
8 receiving, or any other nonmanufacturing activity.

9 (d) In order to qualify for the exemption under this section, a person claiming
10 the exemption must apply for and be granted the exemption by the Department.

11 7-226.

12 [(a)] Except as provided in § 7-109 of this title [and in subsection (b) of this
13 section], raw materials and manufactured products in the possession of a
14 manufacturer are not subject to property tax.

15 [(b) Except as provided by § 7-108 of this title, the personal property described
16 in subsection (a) of this section is subject to a county property tax on 20% of its
17 assessment in Allegany County.]

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
19 effect October 1, 1998.