

SENATE BILL 74

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1998 Regular Session
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(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

Committee Report: Favorable
Senate action: Adopted
Read second time: February 3, 1998

CHAPTER _____

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.

1 7-109.

2 (a) The personal property described in §§ 7-222, [7-223, 7-224,] 7-225, and
3 7-226 of this title is subject to [or exempt from] the municipal corporation property
4 tax [to the extent authorized] UNLESS EXEMPTED IN FULL OR IN PART by the
5 governing body of the municipal corporation by law.

6 7-222.

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

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

13 (1) 60%] 35% of its assessment in [Somerset and] Wicomico [counties];

14 (2) 50% of its assessment in Dorchester and Washington counties;

15 (3) 50% of its assessment, less \$200,000, in St. Mary's County, subject to
16 the power of the governing body of the county by law to exempt the remainder of the
17 assessment from the county property tax;

18 (4) 20% of its assessment in Allegany County; and

19 (5) 18% of its assessment in Baltimore] County.

20 7-223.

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

23 7-224.

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

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

29 7-225.

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

33 (1) tools;

- 1 (2) implements;
- 2 (3) machinery; or
- 3 (4) manufacturing apparatus or engines.

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

6 (1) 100% of its assessment in Allegany County, [Dorchester County,]
7 Garrett County, Somerset County, Wicomico County, and Worcester County; and

8 (2) [75%] 60% of its assessment in [Washington] DORCHESTER County.

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

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

14 7-226.

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

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

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