

SENATE BILL 147

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Q1

1998 Regular Session
(8lr1109)

ENROLLED BILL

-- Budget and Taxation/Ways and Means --

Introduced by **Senators Hogan, Neall, and ~~Middlebrooks~~ Middlebrooks, and**
Boozer

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

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 ~~defining a certain term *used in connection with a business, occupation, or*~~
7 ~~*profession that is located at an individual's principal residence under certain*~~
8 ~~*circumstances*~~; providing for the application of this Act; and generally relating to
9 the personal property taxation of certain business entities owning certain
10 tangible personal property with a total original cost of less than a certain
11 amount.

12 BY ~~adding to~~ repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section ~~7-241~~ 7-227
15 Annotated Code of Maryland

1 (1994 Replacement Volume and 1997 Supplement)

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

4 **Article - Tax - Property**

5 ~~7-241.~~

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

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

11 7-227.

12 (a) Except for personal property used in connection with a business, occupation,
13 or profession, personal property owned by an individual and located at the
14 individual's place of residence is not subject to valuation or to property tax.

15 (b) Notwithstanding subsection (a) of this section, personal property is not
16 subject to valuation or to property tax if the personal property is:

17 (1) owned by an individual;

18 (2) located at the individual's place of residence; and

19 (3) used in connection with a family day care home that is registered
20 under Title 5, Subtitle 5, Part V of the Family Law Article.

21 (C) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, PERSONAL
22 PROPERTY IS NOT SUBJECT TO VALUATION OR TO PROPERTY TAX IF:

23 (1) THE PERSONAL PROPERTY IS OWNED BY AN INDIVIDUAL AND IS
24 USED IN CONNECTION WITH A BUSINESS, OCCUPATION, OR PROFESSION THAT IS
25 LOCATED AT THE INDIVIDUAL'S PRINCIPAL RESIDENCE; AND

26 (2) THE SUM TOTAL OF THE PERSONAL PROPERTY, EXCLUDING
27 VEHICLES EXEMPT UNDER § 7-230 OF THIS SUBTITLE, HAD A TOTAL ORIGINAL COST
28 OF LESS THAN \$10,000.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 1998 and shall be applicable to all taxable years beginning after June 30,
31 1999.

