

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 507 (Senator Boozer)

Budget and Taxation

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**Property Tax - Credits - Personal Property Located in Foreign Trade Zones**

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This bill allows a county or municipality to grant a property tax credit against property taxes imposed on personal property, excluding public utility operating personal property, located in a foreign trade zone.

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**Fiscal Summary**

**State Effect:** None. The State does not tax personal property.

**Local Effect:** Potential meaningful impact on revenues. Expenditures would not be affected.

**Small Business Effect:** Potential minimal impact on small businesses.

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**Fiscal Analysis**

**Background:** A “foreign trade zone” as addressed by this bill is a site within the United States, in or near a U.S. Customs port of entry, where foreign and domestic merchandise is generally considered to be in international commerce. Foreign merchandise may enter and exit the zone without the payment of import or export duties and/or taxes. There are three foreign trade zones in Maryland: (1) Baltimore-Washington Airport (BWI) in Anne Arundel County; (2) Sparrows Point in Baltimore City; and (3) Collington Center in Prince George’s County.

The BWI and Sparrows Point trade zones each have foreign trade subzones located in other counties. The subzone for BWI includes areas in Baltimore, Frederick, and Howard counties, while the Sparrows Point subzone includes an area in Baltimore County.

**Local Revenues:** Local revenues could decrease for the counties that tax personal property in foreign trade zones or subzone areas. Annual revenues would decrease by approximately \$248,000 in Baltimore County, \$3,900 in Baltimore City, and \$1,400 in Howard County if these counties choose to grant the credit authorized by this bill.

The BWI trade zone in Anne Arundel County has no personal property located within it, and Frederick County would not be affected as it does not tax business personal property. Legislative Services advises that information on the Collington Center in Prince George's County was not readily available.

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**Information Sources:** Department of Assessments and Taxation; Calvert, Caroline, Montgomery, and Howard counties; Baltimore City; Department of Legislative Services

<b>Fiscal Note History:</b>	First Reader - March 9, 1998
tlw	Revised - Senate Third Reader - April 1, 1998
Analysis by: Ryan Bishop	Direct Inquiries to:
Reviewed by: John Rixey	John Rixey, Coordinating Analyst
	(410) 841-3710
	(301) 858-3710