

SENATE BILL 414

Unofficial Copy
Q7

2000 Regular Session
0lr1399

By: **Senator Hoffman**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Steam Heating Companies - Property Taxation**

3 FOR the purpose of providing a credit against the corporate income tax for certain
4 property taxes paid on certain operating real property used to generate steam
5 for sale; providing an addition modification under the corporate income tax in
6 the amount of the credit; altering certain separate property tax subclasses in
7 personal property for machinery and equipment used to generate electricity to
8 include certain machinery and equipment used to generate steam within the
9 subclasses; providing a partial exemption from property tax for machinery and
10 equipment used to generate steam for sale; phasing in the exemption over a
11 certain period; and generally relating to the property taxation of certain
12 machinery and equipment used to generate steam.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - General
15 Section 10-306(d) and 10-712
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Tax - Property
20 Section 7-237 and 8-101(c)
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1999 Supplement)

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

1

Article - Tax - General

2 10-306.

3 (d) The addition under subsection (a) of this section includes the amount of the
4 credit allowed under § 10-712 of this title for property taxes paid by a public utility on
5 operating real property that is used to generate electricity OR STEAM for sale.

6 10-712.

7 (a) A public utility may claim a credit against the State income tax in an
8 amount equal to 60% of the total property taxes paid by the public utility on its
9 operating real property in the State, other than operating land, that is used to
10 generate electricity OR STEAM for sale.

11 (b) (1) For any taxable year, the credit allowed under this section may not
12 exceed the State income tax for that taxable year, calculated before application of the
13 credits allowed under this section and §§ 10-701 and 10-701.1 of this subtitle but
14 after application of any other credits allowed under this subtitle.

15 (2) The unused amount of the credit for any taxable year may not be
16 carried over to any other taxable year.

17

Article - Tax - Property

18 7-237.

19 (a) Except as provided in subsection (b) of this section, personal property that
20 is machinery or equipment used to generate electricity OR STEAM for sale is exempt
21 from property tax.

22 (b) Personal property that is machinery or equipment used to generate
23 electricity OR STEAM for sale is subject to county or municipal corporation property
24 tax on:

25 (1) 75% of its value for the taxable year beginning July 1, 2000; and

26 (2) 50% of its value for the taxable year beginning July 1, 2001 and each
27 subsequent taxable year.

28 8-101.

29 (c) Personal property is a class of property and is divided into the following
30 subclasses:

31 (1) stock in business;

32 (2) distilled spirits;

33 (3) operating personal property of a railroad;

1 (4) operating personal property of a public utility that is machinery or
2 equipment used to generate electricity OR STEAM;

3 (5) all other operating personal property of a public utility;

4 (6) machinery and equipment used to generate electricity OR STEAM
5 other than operating personal property of a public utility; and

6 (7) all other personal property that is directed by this article to be
7 assessed.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2000.