

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 243 (Delegate Hixson, *et al.*)
Ways and Means

Budget and Taxation

**Property Tax Credits - Personal Property of a Business That Provides
Computers to Employees for Home Use**

This bill authorizes local governments to grant a tax credit against the property tax imposed on personal property, other than operating personal property of a public utility, of businesses that provide computers to employees for their use at home.

The bill is effective June 1, 2002 and applicable to tax years beginning after June 30, 2002.

Fiscal Summary

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

Local Effect: Potential minimal decrease in personal property tax revenues.

Small Business Effect: Potential minimal.

Analysis

Current Law: All but four counties (Frederick, Kent, Queen Anne's, and Talbot) and all but 15 municipalities impose a personal property tax. County personal property tax rates range from \$1.82 to \$5.82 per \$100 of assessed value. Municipal personal property tax rates range from \$0 to \$2.37 per \$100 of assessed value.

Background: There is \$10.7 billion in taxable, non-operating personal property in the State.

Local Revenues: Local government personal property tax revenues could decrease. The actual revenue loss would depend on the terms and conditions of the credit established by the local governments and the amount of personal property of businesses that provide computers to their employees for use at home. Although there is no information readily available upon which to base an estimate, it is assumed that any decrease in personal property tax would be minimal.

Additional Information

Prior Introductions: HB 1309 of 2001 passed the House but was not reported on by the Senate Budget and Taxation Committee.

Cross File: None, although SB 344 (Senator Van Hollen and Hogan) is identical.

Information Source(s): Department of Assessments and Taxation, Cecil County, Montgomery County, Prince George's County, Carroll County, Department of Legislative Services

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ncs/mdr

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