

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 1458 (Somerset County Delegation)
Commerce and Government Matters

Rules

Somerset County - Tax Exemptions for Manufacturing Property - Duration

This bill reduces the maximum duration of the Somerset County manufacturing property tax credit from ten years to five years.

Fiscal Summary

State Effect: None. This bill does not grant a State property tax credit.

Local Effect: None. Currently, no businesses receive the credit.

Small Business Effect: None.

Analysis

Current Law: Somerset County is authorized to provide a property tax credit for real and personal property of factories, manufacturing industries, fabricating or assembling facilities, and industrial plants. The credit may only be granted where ten or more wage earners are regularly employed. It may not be granted unless the business is new or makes substantial improvements or expansions. The credit is only applicable to the improved or expanded property. The credit must be granted for only one year or portion of a year and is renewable for no longer than ten years.

Background: Under current law personal property used in manufacturing is exempt from property taxes, except in six counties (Allegany, Dorchester, Garrett, Somerset, Wicomico, and Worcester). However, five of these counties (Allegany, Garrett,

Somerset, Wicomico, and Worcester) provide a property tax credit against personal and/or real property used in manufacturing.

It has been the practice of Somerset County not to renew the existing tax credit after a period of three years as the credits were designed to encourage new business development. Currently, no manufacturing companies are granted the credit.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Somerset County, Department of Legislative Services

Fiscal Note History: First Reader - April 1, 2002
mam/jr

Analysis by: Karen S. Benton

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510