

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 817

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Personal Property Tax – Heavy Equipment” and substitute “Heavy Equipment Tax Reform Act of 2010”; strike beginning with “authorizing” in line 3 down through “amount,” in line 4 and substitute “imposing a tax at a certain rate”; in line 7, after “tax” insert “in a certain manner”; and in line 7, after “quarter;” insert “requiring a person who owns a business with gross receipts subject to a certain tax to submit a certain report to the Department of Assessments and Taxation and a certain list to the county or municipal corporation where the business is located; requiring a county or municipal corporation to calculate the difference between certain amounts and to submit a certain statement and bill to a business with certain gross receipts;”; and in line 9, after “date;” insert “defining certain terms; providing for the application of this Act;”.

AMENDMENT NO. 2

On page 2, in line 3, after “(2)” insert ““GROSS RECEIPTS SHORTAGE” MEANS THE AMOUNT BY WHICH THE PROPERTY TAX CALCULATED UNDER SUBSECTION (D)(2) OF THIS SECTION THAT WOULD HAVE BEEN DUE EXCEEDS THE TOTAL GROSS RECEIPTS TAX REMITTED UNDER SUBSECTION (C) OF THIS SECTION.

(3) “GROSS RECEIPTS SURPLUS” MEANS THE AMOUNT BY WHICH THE TOTAL GROSS RECEIPTS TAX REMITTED UNDER SUBSECTION (C) OF THIS SECTION EXCEEDS THE AMOUNT OF PROPERTY TAX CALCULATED UNDER SUBSECTION (D)(2) OF THIS SECTION THAT WOULD HAVE BEEN DUE.

(4)”;

(Over)

in line 12, strike “(3)” and substitute “(5)”; strike beginning with “THE” in line 14 down through the period in line 19 and substitute “THERE IS A TAX AT A RATE OF 2% ON THE GROSS RECEIPTS FROM THE SHORT-TERM LEASE OR RENTAL OF HEAVY EQUIPMENT PROPERTY BY A PERSON WHOSE PRINCIPAL BUSINESS IS THE SHORT-TERM LEASE OR RENTAL OF HEAVY EQUIPMENT PROPERTY AT RETAIL.”; and strike beginning with “THE” in line 20 down through “CORPORATION” in line 23 and substitute “THE TAX IMPOSED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A BUSINESS LOCATED IN A COUNTY OR MUNICIPAL CORPORATION THAT DOES NOT IMPOSE A PERSONAL PROPERTY TAX”.

AMENDMENT NO. 3

On pages 2 and 3, strike in their entirety the lines beginning with line 32 on page 2 through line 2 on page 3, inclusive.

AMENDMENT NO. 4

On page 3, in line 4, after “COLLECT” insert “THE TAX FROM THE RENTAL CUSTOMER”; in line 5, strike “TO THE COUNTY OR MUNICIPAL CORPORATION” and substitute “AS PROVIDED IN THIS SUBSECTION”; after line 7, insert:

“(3) A PERSON WHO OWNS A BUSINESS WITH GROSS RECEIPTS SUBJECT TO THE TAX UNDER SUBSECTION (B) OF THIS SECTION SHALL REMIT THE TAX COLLECTED TO:

(i) THE COUNTY IN WHICH THE BUSINESS IS LOCATED, IF THAT LOCATION IS NOT WITHIN A MUNICIPAL CORPORATION; OR

(ii) THE COUNTY AND MUNICIPAL CORPORATION IN WHICH THE BUSINESS IS LOCATED IN PROPORTION TO THE PERSONAL PROPERTY TAX

RATE OF THE COUNTY AND MUNICIPAL CORPORATION, IF THAT LOCATION IS WITHIN A MUNICIPAL CORPORATION.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE GROSS RECEIPTS TAX IMPOSED UNDER THIS SECTION SHALL BE ADMINISTERED AND COLLECTIBLE ACCORDING TO THE LAWS OTHERWISE APPLICABLE TO THE PERSONAL PROPERTY TAX UNDER THE TAX – PROPERTY ARTICLE.

(D) (1) A PERSON WHO OWNS A BUSINESS WITH GROSS RECEIPTS SUBJECT TO THE TAX UNDER SUBSECTION (B) OF THIS SECTION SHALL SUBMIT:

(i) TO THE DEPARTMENT OF ASSESSMENTS AND TAXATION A REPORT ON PERSONAL PROPERTY AS REQUIRED UNDER § 11-101 OF THE TAX - PROPERTY ARTICLE; AND

(ii) TO THE COUNTY OR MUNICIPAL CORPORATION WHERE THE HEAVY EQUIPMENT RENTAL BUSINESS IS LOCATED A LIST OF ALL PERSONAL PROPERTY, INCLUDING THE ORIGINAL COST AND DATE OF ACQUISITION OF THE PROPERTY, THAT:

1. IS SUBJECT TO THE GROSS RECEIPTS TAX UNDER THIS SECTION; AND

2. IS EXEMPT FROM THE PROPERTY TAX UNDER § 7-243 OF THE TAX – PROPERTY ARTICLE.

(2) FOR EACH PERSON THAT SUBMITS A LIST UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, A COUNTY OR MUNICIPAL CORPORATION SHALL CALCULATE THE AMOUNT OF PROPERTY TAX THAT WOULD HAVE BEEN DUE FOR

(Over)

ALL PROPERTY THAT IS EXEMPT UNDER § 7-243 OF THE TAX – PROPERTY ARTICLE.

(3) A COUNTY OR MUNICIPAL CORPORATION SHALL CALCULATE THE DIFFERENCE BETWEEN:

(i) THE TOTAL GROSS RECEIPTS TAX REMITTED UNDER SUBSECTION (C) OF THIS SECTION BY THE PERSON DURING THE PREVIOUS CALENDAR YEAR; AND

(ii) THE AMOUNT OF PROPERTY TAX CALCULATED UNDER PARAGRAPH (2) OF THIS SUBSECTION THAT WOULD HAVE BEEN DUE.

(4) (i) ON OR BEFORE FEBRUARY 28TH OF EACH YEAR, A COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE A STATEMENT TO EACH PERSON WHO OWNS A BUSINESS WITH GROSS RECEIPTS SUBJECT TO THE TAX UNDER SUBSECTION (B) OF THIS SECTION, THAT INCLUDES:

1. THE TOTAL GROSS RECEIPTS TAX REMITTED UNDER SUBSECTION (C) OF THIS SECTION DURING THE PREVIOUS CALENDAR YEAR;

2. THE TOTAL PROPERTY TAX CALCULATED UNDER PARAGRAPH (2) OF THIS SUBSECTION THAT WOULD HAVE BEEN DUE; AND

3. THE GROSS RECEIPTS SHORTAGE OR GROSS RECEIPTS SURPLUS.

(II) IF THE STATEMENT INCLUDES A GROSS RECEIPTS SHORTAGE, THE COUNTY OR MUNICIPAL CORPORATION SHALL INCLUDE WITH THE STATEMENT A BILL FOR THE AMOUNT OF THE GROSS RECEIPTS SHORTAGE PAYABLE ON OR BEFORE MARCH 31 OF EACH YEAR.

(5) THE LIST REQUIRED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE SUBMITTED WITH THE SECOND QUARTERLY PAYMENT REQUIRED UNDER SUBSECTION (C)(2) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:"

and strike beginning with the first "THE" in line 13 down through the period in line 20 and substitute "THE PROPERTY IS SUBJECT TO THE GROSS RECEIPTS TAX IMPOSED UNDER ARTICLE 24, § 9-609 OF THE CODE."

SECTION 3. AND BE IT FURTHER ENACTED, That to create a transition period that precludes both a duplication and an avoidance of tax:

(a) The initial period of application of Section 1 of this Act shall be the 6-month period from July 1, 2011, through December 31, 2011; and

(b) During the initial period of application, the following words have the meanings indicated:

(1) "Gross receipts shortage" means the amount by which one-half of the property tax, calculated under Article 24, § 9-609(d)(2) of the Code as enacted by Section 1 of this Act, that would be due exceeds the total gross receipts tax remitted under Article 24, § 9-609(c) of the Code as enacted by Section 1 of this Act.

(2) “Gross receipts surplus” means the amount by which the total gross receipts tax remitted under Article 24, § 9-609(c) of the Code as enacted by Section 1 of this Act exceeds one-half of the amount of property tax, calculated under Article 24, § 9-609(d)(2) of Section 1 of the Code as enacted by this Act, that would be due.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect December 31, 2010. Sections 1 and 3 shall be applicable to the initial period of application beginning on July 1, 2011, and to all calendar years beginning after December 31, 2011. Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2011.”.