

SENATE BILL 590

Q1

5lr0120
CF HB 480

By: **The President (By Request – Administration) and Senators Bates, Eckardt, Edwards, Hershey, Hough, Jennings, Klausmeier, Muse, Norman, Ready, Reilly, Salling, Serafini, Simonaire, and Waugh**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Small Business Personal Property Tax Relief Act of 2015**

3 FOR the purpose of exempting from the personal property tax persons with personal
4 property that is assessed at less than a certain amount of total assessed value;
5 exempting certain persons from certain annual reporting requirements and any
6 associated fees under certain circumstances; requiring an appropriation in the
7 annual State budget for certain reimbursements to counties or municipal
8 corporations in certain years; requiring the Department to establish application
9 procedures for a certain purpose; providing for the application of this Act; and
10 generally relating to the personal property tax.

11 BY adding to

12 Article – Tax – Property

13 Section 7–245

14 Annotated Code of Maryland

15 (2012 Replacement Volume and 2014 Supplement)

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

18 **Article – Tax – Property**

19 **7–245.**

20 **(A) EXCEPT FOR RAILROADS AND PUBLIC UTILITIES, A PERSON WITH**
21 **PERSONAL PROPERTY THAT HAS A TOTAL ASSESSED VALUE OF \$10,000 OR LESS IS**
22 **EXEMPT FROM:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) THE PERSONAL PROPERTY TAX;**

2 **(2) THE REPORTING REQUIREMENTS UNDER TITLE 11 OF THIS**
3 **ARTICLE; AND**

4 **(3) THE FEE TO BE PAID WITH THE FILING OF AN ANNUAL REPORT**
5 **UNDER TITLE 11 OF THIS ARTICLE.**

6 **(B) AS PROVIDED IN THE STATE BUDGET, THE STATE SHALL, FOR EACH**
7 **EXEMPTION GRANTED UNDER SUBSECTION (A)(1) OF THIS SECTION, REMIT TO EACH**
8 **COUNTY OR MUNICIPAL CORPORATION AN AMOUNT EQUAL TO:**

9 **(1) IN THE FIRST YEAR, 100% OF THE TAX THAT WOULD HAVE BEEN**
10 **COLLECTED IF THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION HAD**
11 **NOT BEEN GRANTED;**

12 **(2) IN THE SECOND YEAR, 75% OF THE TAX THAT WOULD HAVE BEEN**
13 **COLLECTED IF THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION HAD**
14 **NOT BEEN GRANTED;**

15 **(3) IN THE THIRD YEAR, 50% OF THE TAX THAT WOULD HAVE BEEN**
16 **COLLECTED IF THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION HAD**
17 **NOT BEEN GRANTED; AND**

18 **(4) IN THE FOURTH YEAR AND EACH YEAR THEREAFTER, 0%.**

19 **(C) IN CALCULATING THE AMOUNT REQUIRED TO BE REMITTED UNDER**
20 **SUBSECTION (B) OF THIS SECTION, THE TAX THAT WOULD HAVE BEEN COLLECTED**
21 **SHALL BE BASED ON THE ASSESSED VALUE OF THE PERSONAL PROPERTY AT THE**
22 **TIME THE PERSON APPLIED FOR THE EXEMPTION UNDER SUBSECTION (D) OF THIS**
23 **SECTION.**

24 **(D) (1) A PERSON SHALL APPLY TO THE DEPARTMENT FOR THE**
25 **EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION.**

26 **(2) THE DEPARTMENT SHALL SPECIFY PROCEDURES FOR**
27 **APPLICATION FOR, APPROVAL OF, AND MONITORING OF CONTINUING ELIGIBILITY**
28 **FOR THE EXEMPTION UNDER THIS SECTION.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That the State budget for fiscal
30 year 2017 shall include an appropriation to each county or municipal corporation equal to
31 100% of the tax that would have been collected in fiscal year 2016 if the exemption under §
32 7-245(a)(1) of the Tax – Property Article had not been granted.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2015, and shall be applicable to all taxable years beginning after June 30, 2015.