

HOUSE BILL 561

Q1

6lr2233

By: **Delegates Flanagan, Adams, Anderton, Bromwell, Carozza, Ciliberti,
Kittleman, Mautz, Otto, and West**

Introduced and read first time: February 3, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Small Business Personal Property Tax Relief Act of 2016**

3 FOR the purpose of exempting from the personal property tax persons with certain personal
4 property with less than a certain amount of total assessed value; requiring the State
5 in certain taxable years to remit to each county and municipal corporation a certain
6 amount of the tax the county or municipal corporation would have collected if the
7 exemption under this Act had not been granted; requiring a person to apply annually
8 to the State Department of Assessments and Taxation for the exemption under this
9 Act; exempting a person that certifies eligibility for the exemption under this Act
10 from submitting personal property information in a certain annual report; defining
11 a certain term; and generally relating to the personal property tax.

12 BY adding to

13 Article – Tax – Property

14 Section 7–245

15 Annotated Code of Maryland

16 (2012 Replacement Volume and 2015 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article – Tax – Property

19 Section 11–101

20 Annotated Code of Maryland

21 (2012 Replacement Volume and 2015 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-245.

2 (A) IN THIS SECTION, "TOTAL ASSESSED VALUE" MEANS, FOR EACH
3 PERSON, THE PERSONAL PROPERTY ASSESSMENT THAT IS THE GREATER OF:

4 (1) THE AGGREGATE ASSESSMENT OF PERSONAL PROPERTY FOR
5 THAT PERSON IN ALL COUNTIES; OR

6 (2) THE AGGREGATE ASSESSMENT OF PERSONAL PROPERTY FOR
7 THAT PERSON IN ALL MUNICIPAL CORPORATIONS.

8 (B) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2016, AND
9 EACH TAXABLE YEAR THEREAFTER, EXCEPT FOR OPERATING PROPERTY ASSESSED
10 UNDER §§ 8-108 AND 8-109 OF THIS ARTICLE, A PERSON THAT OWNS OR LEASES
11 PERSONAL PROPERTY WITH A TOTAL ASSESSED VALUE OF \$100,000 OR LESS IS
12 EXEMPT FROM THE PERSONAL PROPERTY TAX.

13 (C) AS PROVIDED IN THE STATE BUDGET, THE STATE SHALL, FOR EACH
14 EXEMPTION GRANTED UNDER SUBSECTION (B) OF THIS SECTION FOR THAT TAX
15 YEAR, REMIT TO EACH COUNTY OR MUNICIPAL CORPORATION BY DECEMBER 31 OF
16 THAT YEAR AN AMOUNT EQUAL TO:

17 (1) IN TAX YEAR 2017, 100% OF THE TAX THAT WOULD HAVE BEEN
18 COLLECTED IF THE EXEMPTION UNDER SUBSECTION (B) OF THIS SECTION HAD NOT
19 BEEN GRANTED;

20 (2) IN TAX YEAR 2018, 75% OF THE TAX THAT WOULD HAVE BEEN
21 COLLECTED IF THE EXEMPTION UNDER SUBSECTION (B) OF THIS SECTION HAD NOT
22 BEEN GRANTED;

23 (3) IN TAX YEAR 2019, 50% OF THE TAX THAT WOULD HAVE BEEN
24 COLLECTED IF THE EXEMPTION UNDER SUBSECTION (B) OF THIS SECTION HAD NOT
25 BEEN GRANTED; AND

26 (4) IN TAX YEAR 2020 AND EACH TAX YEAR THEREAFTER, 0%.

27 (D) IN CALCULATING THE AMOUNT REQUIRED TO BE REMITTED UNDER
28 SUBSECTION (C) OF THIS SECTION, THE TAX THAT WOULD HAVE BEEN COLLECTED
29 SHALL BE BASED ON THE ASSESSED VALUE OF THE PERSONAL PROPERTY AT THE
30 TIME THE PERSON APPLIED FOR THE EXEMPTION UNDER SUBSECTION (E) OF THIS
31 SECTION.

1 **(E) (1) A PERSON SHALL APPLY ANNUALLY TO THE DEPARTMENT FOR**
2 **THE EXEMPTION UNDER SUBSECTION (B) OF THIS SECTION AT THE TIME THE**
3 **PERSON FILES THE REPORT REQUIRED UNDER § 11-101 OF THIS ARTICLE.**

4 **(2) THE DEPARTMENT SHALL SPECIFY PROCEDURES FOR**
5 **APPLICATION FOR, APPROVAL OF, AND MONITORING OF CONTINUING ELIGIBILITY**
6 **FOR THE EXEMPTION UNDER SUBSECTION (B) OF THIS SECTION.**

7 11-101.

8 (a) On or before April 15 of each year, a person shall submit a report on personal
9 property to the Department if:

10 (1) the person is a business trust, statutory trust, domestic corporation,
11 limited liability company, limited liability partnership, or limited partnership;

12 (2) the person is a foreign corporation, foreign statutory trust, foreign
13 limited liability company, foreign limited liability partnership, or foreign limited
14 partnership registered or qualified to do business in the State; or

15 (3) the person owns or during the preceding calendar year owned property
16 that is subject to property tax.

17 **(b) A PERSON THAT CERTIFIES IN AN ANNUAL REPORT SUBMITTED UNDER**
18 **SUBSECTION (A) OF THIS SECTION THAT THE PERSONAL PROPERTY OF THAT**
19 **PERSON IS ELIGIBLE FOR THE EXEMPTION UNDER § 7-245 OF THIS ARTICLE MAY**
20 **NOT BE REQUIRED TO SUBMIT THE PERSONAL PROPERTY INFORMATION THAT**
21 **WOULD OTHERWISE BE REQUIRED IN THE REPORT.**

22 **(C)** The report shall:

23 (1) be in the form that the Department requires;

24 (2) be under oath as the Department requires; and

25 (3) contain the information that the Department requires.

26 SECTION 2. AND BE IT FURTHER ENACTED, That the State budget for fiscal
27 year 2018 shall include an appropriation to each county or municipal corporation equal to
28 100% of the tax that would have been collected in fiscal year 2017 if the exemption under §
29 7-245(b) of the Tax – Property Article, as enacted by Section 1 of this Act, had not been
30 granted.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2016.