

# HOUSE BILL 268

Q1, C1

7lr1188

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By: **Delegates Carr, Luedtke, and Tarlau**  
Introduced and read first time: January 23, 2017  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax and Annual Report Filing Fee – Exemption**

3 FOR the purpose of exempting from the personal property tax persons with personal  
4 property of less than a certain amount of total assessed value; exempting persons  
5 who qualify for the personal property tax exemption under this Act from a certain  
6 fee for filing a certain annual report; requiring a person to apply annually to the  
7 State Department of Assessments and Taxation for the personal property tax  
8 exemption under this Act; exempting a person that certifies eligibility for the  
9 exemption under this Act from submitting personal property information in a certain  
10 annual report; defining a certain term; and generally relating to the personal  
11 property tax and the annual report filing fee.

12 BY repealing and reenacting, with amendments,  
13 Article – Corporations and Associations  
14 Section 1–203(b)(3)(ii)  
15 Annotated Code of Maryland  
16 (2014 Replacement Volume and 2016 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – Corporations and Associations  
19 Section 1–203(b)(14)  
20 Annotated Code of Maryland  
21 (2014 Replacement Volume and 2016 Supplement)

22 BY adding to  
23 Article – Corporations and Associations  
24 Section 1–203(b)(15)  
25 Annotated Code of Maryland  
26 (2014 Replacement Volume and 2016 Supplement)

27 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Tax – Property  
 2 Section 7–245  
 3 Annotated Code of Maryland  
 4 (2012 Replacement Volume and 2016 Supplement)

5 BY repealing and reenacting, with amendments,  
 6 Article – Tax – Property  
 7 Section 11–101  
 8 Annotated Code of Maryland  
 9 (2012 Replacement Volume and 2016 Supplement)

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

12 **Article – Corporations and Associations**

13 1–203.

14 (b) (3) (ii) Except as provided in [paragraph (14)] **PARAGRAPHS (14) OR**  
 15 **(15)** of this subsection, for each of the following documents which are filed but not recorded,  
 16 the filing fee is as indicated:

17 Annual report of a Maryland corporation, except a charitable or  
 18 benevolent institution, nonstock corporation, savings and loan corporation,  
 19 credit union, family farm, and banking institution..... \$300

20 Annual report of a foreign corporation subject to the jurisdiction of  
 21 this State, except a national banking association, savings and loan  
 22 association, credit union, nonstock corporation, and charitable and  
 23 benevolent institution..... \$300

24 Annual report of a Maryland savings and loan association, banking  
 25 institution, or credit union or of a foreign savings and loan association,  
 26 national banking association, or credit union that is subject to the  
 27 jurisdiction of this State ..... \$300

28 Annual report of a Maryland limited liability company, limited  
 29 liability partnership, limited partnership, or of a foreign limited liability  
 30 company, foreign limited liability partnership, or foreign limited  
 31 partnership, except a family farm..... \$300

32 Annual report of a business trust..... \$300

33 Annual report of a real estate investment trust or foreign statutory  
 34 trust doing business in this State ..... \$300

35 Annual report of a family farm..... \$100

1 (14) The Department shall waive the filing fee for a business entity  
2 described under paragraph (3)(ii) of this subsection for each year that the entity provides  
3 evidence to the Department that:

4 (i) The entity is required to comply with and is in compliance with  
5 Title 12 of the Labor and Employment Article; or

6 (ii) The entity otherwise provides an automatic enrollment payroll  
7 deduction individual retirement account or individual retirement annuity under 26 U.S.C.  
8 § 408(a) or (b) or an employer-offered savings arrangement that is in compliance with  
9 federal law.

10 **(15) THE DEPARTMENT SHALL WAIVE THE FILING FEE FOR A**  
11 **BUSINESS ENTITY DESCRIBED UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION FOR**  
12 **EACH YEAR THAT THE ENTITY QUALIFIES FOR THE PERSONAL PROPERTY TAX**  
13 **EXEMPTION UNDER § 7-245 OF THE TAX – PROPERTY ARTICLE.**

14 **Article – Tax – Property**

15 **7-245.**

16 **(A) IN THIS SECTION, “TOTAL ASSESSED VALUE” MEANS, FOR EACH**  
17 **PERSON, THE PERSONAL PROPERTY ASSESSMENT THAT IS THE GREATER OF:**

18 **(1) THE AGGREGATE ASSESSMENT OF PERSONAL PROPERTY FOR**  
19 **THAT PERSON IN ALL COUNTIES; OR**

20 **(2) THE AGGREGATE ASSESSMENT OF PERSONAL PROPERTY FOR**  
21 **THAT PERSON IN ALL MUNICIPAL CORPORATIONS.**

22 **(B) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2017, AND**  
23 **EACH TAXABLE YEAR THEREAFTER, EXCEPT FOR OPERATING PROPERTY ASSESSED**  
24 **UNDER §§ 8-108 AND 8-109 OF THIS ARTICLE, A PERSON THAT OWNS OR LEASES**  
25 **PERSONAL PROPERTY WITH A TOTAL ASSESSED VALUE OF \$2,500 OR LESS IS**  
26 **EXEMPT FROM THE PERSONAL PROPERTY TAX.**

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

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

1 11-101.

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

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

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

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

11 (b) **A PERSON THAT CERTIFIES IN AN ANNUAL REPORT SUBMITTED UNDER**  
12 **SUBSECTION (A) OF THIS SECTION THAT THE PERSONAL PROPERTY OF THAT**  
13 **PERSON IS ELIGIBLE FOR THE EXEMPTION UNDER § 7-245 OF THIS ARTICLE MAY**  
14 **NOT BE REQUIRED TO:**

15 (1) **SUBMIT THE PERSONAL PROPERTY INFORMATION THAT WOULD**  
16 **OTHERWISE BE REQUIRED IN THE REPORT; OR**

17 (2) **PAY THE FEE FOR FILING THE ANNUAL REPORT UNDER §**  
18 **1-203(B)(3)(II) OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

19 (c) The report shall:

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

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

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2017.