

HOUSE BILL 215

Q1

2lr1102

By: **Delegate Parrott**

Introduced and read first time: January 13, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax – Depreciation of Assessed Value**

3 FOR the purpose of establishing a certain depreciation method for purposes of assessing
4 the value of personal property; and generally relating to the personal property tax.

5 BY repealing and reenacting, with amendments,
6 Article – Tax – Property
7 Section 8–107
8 Annotated Code of Maryland
9 (2019 Replacement Volume and 2021 Supplement)

10 Preamble

11 WHEREAS, Section 18.03.01.02 of the Code of Maryland Regulations states the
12 depreciation schedule for personal property for purposes of state taxation; and

13 WHEREAS, The value of personal property is depreciated at 10% of the original cost
14 each year but generally may not be depreciated below 25% of the original cost; and

15 WHEREAS, The United States Department of the Treasury Internal Revenue
16 Service allows federal taxpayers to fully depreciate the value of certain personal property;
17 now, therefore,

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

20 **Article – Tax – Property**

21 8–107.

22 (a) Except as provided under § 8–110 of this subtitle, the value of personal

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 property shall be its value on the date of finality.

2 (b) In valuing any personal property acquired by purchase, lease purchase, or
3 other similar agreement for transfer of title to the personal property after a period of its
4 use, the Department shall consider any sum that is paid to acquire the personal property.

5 (C) **IN THE ASSESSMENT OF PERSONAL PROPERTY UNDER THIS TITLE, THE**
6 **ORIGINAL COST OF THE PERSONAL PROPERTY SHALL BE DEPRECIATED USING THE**
7 **SAME METHOD PROVIDED UNDER THE INTERNAL REVENUE CODE FOR THE SAME**
8 **TYPE OF PROPERTY.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
10 1, 2022, and shall be applicable to all taxable years beginning after June 30, 2022.