HOUSE BILL 215

By: Delegate Parrott
Introduced and read first time: January 13, 2022
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Personal Property Tax – Depreciation of Assessed Value

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

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 8–107
Annotated Code of Maryland
(2019 Replacement Volume and 2021 Supplement)

Preamble

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

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

WHEREAS, The United States Department of the Treasury Internal Revenue Service allows federal taxpayers to fully depreciate the value of certain personal property; and

now, therefore,

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

Article – Tax – Property

8–107.

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

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

(C) \textbf{IN THE ASSESSMENT OF PERSONAL PROPERTY UNDER THIS TITLE, THE ORIGINAL COST OF THE PERSONAL PROPERTY SHALL BE DEPRECIATED USING THE SAME METHOD PROVIDED UNDER THE INTERNAL REVENUE CODE FOR THE SAME TYPE OF PROPERTY.}

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