

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1243 (Prince George's County Delegation)  
Ways and Means

---

**Prince George's County - Personal Property Tax Exemption for Small  
Manufacturers  
PG 423-26**

---

This bill establishes a personal property tax exemption in Prince George’s County for small manufacturing businesses. Under the bill, all personal property, including manufacturing inventory, owned by a manufacturing business with 50 or fewer employees is exempt from county and municipal personal property taxes. **The bill takes effect June 1, 2026, and applies to all taxable years beginning after June 30, 2026.**

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Prince George’s County and municipal property tax revenues decrease beginning in FY 2027. Local expenditures are not affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** Potential meaningful.

---

**Analysis**

**Current Law:** Prince George’s County imposes property taxes on both real and personal property. Personal property tax returns are filed with the State Department of Assessments and Taxation, which determines assessed values before the county applies its tax rates. Businesses with less than \$20,000 in personal property, including inventory, are exempt. The county does not currently provide a personal property tax exemption based on the number of employees.

**Local Fiscal Effect:** Prince George’s County and municipal personal property tax revenues decrease beginning in fiscal 2027. The amount of the decrease depends on the number of affected small manufacturers and the value of personal property. However, because employee counts are not reported as part of personal property tax filings, the county cannot determine which manufacturers would qualify under the 50-employee threshold. Therefore, the precise local fiscal impact cannot be determined at this time.

**Small Business Effect:** Small manufacturing businesses with 50 or fewer employees benefit from reduced tax liabilities which may in turn allow money to be used for other purposes.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Prince George’s County; Maryland Municipal League; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2026  
js/hlb

---

Analysis by: Alizeh Malik

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510