



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

DATE: February 18, 2020

BILL NUMBER: HB 940

COMMITTEE: Ways and Means

BILL TITLE: Personal Property Tax – Exemption for Business Personal Property

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) offers the following information for House Bill 940, a bill that exempts personal property from the county and municipal property tax except (1) operating personal property of a railroad or public utility and (2) property used to provide a cable television, data, or telecommunications service, including all fiber-optic and other cable wire systems, cellular telephone towers, and wireless appurtenances attached to or installed on cellular telephone towers.

Current law explicitly defines the different subclasses of property that can be assessed (Tax – Property Article §8-101). Although operating personal property of a railroad or public utility is currently defined, “telecommunications” property is not and cannot receive a different tax rate without amending TP §8-101. Although this change would be part of SDAT’s study mentioned in Section 2 of the proposed legislation, it is unclear whether SDAT would be able to implement this bill until subsequent legislation is adopted.

Additionally, personal property is assessed as of January 1 for the upcoming tax year (ie. assessed January 1, 2020 for July 1, 2020 tax bills). Therefore, any change in personal property assessment law could not be implemented until the next January 1 assessment date, to be used for that following July 1 tax bill.

SDAT must also identify provisions of the Annotated Code of Maryland or the Code of Public Local Laws that are rendered inaccurate or obsolete as a result of specified provisions of the bill and must submit a report to the General Assembly, by December 1, 2019, on its findings with recommendations for any amendments to the Annotated Code of Maryland or the Code of Public Local Laws.

Office of the Director

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