



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

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

DATE: March 9, 2021

BILL NUMBER: HB1257

COMMITTEE: Ways and Means

BILL TITLE: Business Personal Property Tax – Businesses Affected by COVID–19 Restrictions – Reimbursement

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) offers the following information for HB1257, a bill that would require reimbursements of business personal property taxes for many entities in the state.

The Department notes that “completely unable to do business” and “normal business” are subjective terms, cannot be defined by statute, and are subject to varying interpretations.

The timeline allotted for implementation may not be feasible because business personal property taxes are collected by and remitted to Maryland’s local jurisdictions. The Department would need more time to consult with those jurisdictions to determine what tax refunds would be due.

The General Fund would be required to pay reimbursements for prior year business personal property taxes as long as they were collected in 2020. The Department notes that it had more entities regain Good Standing Status, in 2020 than ever before. This resulted from entities paying off outstanding business personal property bills, many of which covered multiple years.

SDAT would like the committee to consider the information presented as it deliberates HB1257.

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