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HEARING DATE: March 2, 2022

BILL: SB0491

TITLE: Property Tax - Taxation of Business Property - Tax Rates, Exemptions, and Credits

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) notes that SB0491 is nearly impossible to implement.

SDAT is unsure how this legislation could be implemented as the department's current business type codes do not differentiate by industry. Property listed in the bill under (2) and (3) is not within separately defined classes of personal property and cannot be treated differently than the defined class of "all other personal property" TP §8-101(c)(7).

SDAT is unable to predict the impact of this legislation because metrics contained within are not aligned with the current annotated code or with SDAT's personal property system. The bill attempts to tax a class of property that is not separately defined by law.

SDAT is greatly concerned with major impacts to IT under a timeline that would require multiple emergency procurement contracts.

For these reasons, SDAT offers this Letter of Information and strongly urges a reconsideration of SB0491 in its current form.