



House Bill 268

Property Tax - Exemptions for Business Personal Property - Alterations

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 1, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 268. This bill would deliver meaningful tax relief for small and home-based businesses amidst pandemic-driven economic uncertainty.

The swift and unprecedented shock of the COVID-19 public health crisis wreaked havoc on the economy. As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity.

Current law generally authorizes local governments to impose a tax on business personal property. However, an individual's business personal property is exempt from taxation if it is used in connection with a home-based business and had an original cost of less than \$10,000. Additionally, a person's business personal property is not subject to valuation or tax if it had a total original cost of less than \$2,500.

HB 268 would exempt business personal property with a total value of less than \$20,000 from valuation and taxation. In addition, the bill expressly prohibits the State Department of Assessments and Taxation from collecting personal property information or requiring a person to file a personal property tax return if the individual attests to owning less than \$20,000 in business personal property.

Strengthening Maryland's small businesses contributes directly to the growth of local, state, and national economies. This in turn creates jobs, contributes to enhancing quality of life, and expands the local tax base – enabling counties to better provide core services for Maryland families and businesses.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 268.