

# HB215: Personal Property Tax - *Depreciation of Assessed Value*



Ways and Means Committee

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Sponsor: Delegate Parrott

# What happens when personal property for your business gets old?

- Currently, office personal property depreciates at a rate of 20% per annum
- The minimum assessment is 25% of the original cost
- Even these old printer would be taxed at 25% of their original cost, despite being useless for the company.



# Current Personal Property Tax Rates Per County

<b>County</b>	<b>Tax Rate</b>	<b>County</b>	<b>Tax Rate</b>
Allegany	2.4375	Harford	2.5698
Anne Arundel	2.332	Howard	2.535
Baltimore City	5.62	Kent	0
Baltimore County	2.75	Montgomery	1.7945
Calvert	2.23	Prince George's	2.5
Caroline	2.45	Queen Anne's	0
Carroll	2.515	St. Mary's	2.1195
Cecil	2.5697	Somerset	2.50
Charles	2.8525	Talbot	0
Dorchester	2.44	Washington	2.37
Frederick	0	Wicomico	2.1715
Garrett	0	Worcester	2.1125

# Different Maryland Personal Property Depreciation Rates

Category	% per annum	% Stops	Types of Personal Property
A	10%	25%	All other property
B	20%	25%	Computers
C	20%	25%	Most office equipment
D	30%	10%	Data processing equipment
E	33.3%	25%	Equipment rental & window coverings
F	50%	25%	Rental uniforms & pinball machines
G	5%	25%	Boats

# Personal Property Tax Example:

\$1,000 over 10 years

Federal*			State**		
Years	Percent	Depreciated value	Years	Percent	Depreciated value
1	5%	\$950	1	20%	\$800
2	10%	\$850	2	20%	\$600
3	10%	\$750	3	20%	\$400
4	10%	\$650	4	15%	\$250
5	10%	\$550	5	0%	\$250
6	10%	\$450	6	0%	\$250
7	10%	\$350	7	0%	\$250
8	10%	\$250	8	0%	\$250
9	10%	\$150	9	0%	\$250
10	10%	\$50	10	0%	\$250
11	5%	0	11	0%	\$250

\*Rate using Straight Line Method with Half-Year Convention

\*\* Rate using Category B



## What this bill does:

- ✓ **Personal property in Maryland would depreciate to zero**
- ✓ **Personal property depreciation would follow the Federal Rate, rather than a different state rate.**
- ✓ **Puts money back in the taxpayers' pocket**
- ✓ **Reduces paperwork confusion for businesses**



**Please vote for HB 215**

Questions?