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Economic Matters Committee

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Public Utilities

Chair, Unemployment Insurance



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THE MARYLAND HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

HB 296 - PERSONAL PROPERTY TAX - EXEMPTION FOR LOW ASSESSMENTS - ALTERATION

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN
FEBRUARY 4, 2025

Chair Atterbary, Vice Chair Wilkins, and Members of the Ways and Means Committee,

Business Personal Property is property owned by a business that is not a land / structure. The State of Maryland requires businesses to report the amount they own in business personal property annually, even those that have none. Counties collect tax revenue based on these reports.

In 2022, the Department of Assessments and Taxation sponsored a bill that raised the threshold for businesses not to report business personal property from \$2,500 or less to \$20,000 or less. In that bill, the Department included language that prohibited it from being able to request any and all documentation to back up the self-reported assessment. This language was part of a Hogan-era initiative to dissolve the Business Personal Property (BPP) Division altogether. SDAT no longer plans to do so.

The BPP Division audits, as a matter of process, any business that reports a drop in business personal property of 40% or more from one year to the next. This is to verify that there were no errors in the self-reported assessment and to ensure that counties continue to collect revenues on the full amount of business personal property owned by businesses within their jurisdiction.

This bill will:

- Ensure fairness in Maryland's tax system by eliminating a loophole that allows businesses to report no personal property without further question

I respectfully request a favorable report on HB 296.