

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



DANIEL K. PHILLIPS
Director

ROBERT YEAGER
Deputy Director

HEARING DATE: February 4, 2025

BILL: HB0296

TITLE: Personal Property Tax - Exemption for Low Assessments -
Alteration

SDAT POSITION: SUPPORT

The Department of Assessments and Taxation supports House Bill 296 - Personal Property Tax - Exemption for Low Assessments - Alteration. This legislation would allow the Department of Assessments and Taxation to request additional documentation for entities that report less than \$20,000 in business personal property.

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.

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.

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Accordingly, the Department respectfully requests a **FAVORABLE** report on House Bill 296.