



Senate Budget and Taxation Committee

February 18, 2026

Senate Bill 427 – *Property Taxes – Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers*

**POSITION: OPPOSE**

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** for Senate Bill 427.

Senate Bill 427 would authorize counties and Baltimore City to create a special subclass of personal property consisting of qualified data center equipment and to set a unique personal property tax rate for that subclass. By carving out a special tax rate for one industry, this bill would treat otherwise similarly situated businesses differently based solely on type. Tax policy should be neutral and predictable so that it does not favor one sector over another, especially where long-term growth and diversified development are State priorities.

We are concerned about the intent of this legislation and whether it will be used to tax data centers at a higher rate than other industries. Additionally, because this bill would allow each jurisdiction to set different rates, there could be a wide range of tax implications across the state. Potential new data center developments will assess Maryland's complex and burdensome tax structure and choose to locate in states with a more predictable environment.

The MTC has consistently urged state leaders to embrace the potential of the data center development industry, which will support our economy and tax revenues for years to come. According to a report conducted by our organization, a typical data center project in Maryland supports 5,000 direct and indirect jobs, generates \$775 million in economic activity, and yields approximately \$18 million in tax revenue during construction. As Maryland continues to struggle with budget deficits year after year, we cannot afford to push away historic economic opportunities. For these reasons, we urge an **unfavorable** report for Senate Bill 427.

**For more information call:**

Andrew G. Vetter  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone  
410-244-7000