

**WES MOORE**  
Governor

**ARUNA MILLER**  
Lt. Governor



**ROBERT YEAGER**  
Director

**DENNIS HUANG**  
Deputy Director

**HEARING DATE:** January 21, 2025

**BILL:** SB0137

**TITLE:** Personal Property Tax - Exemptions for Low Assessment - Alteration

**SDAT POSITION:** SUPPORT

The Department of Assessments and Taxation supports Senate Bill 137 - Personal Property Tax - Exemptions for Low Assessment - 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 (BPP) is property owned by a business that is not a land or 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 BPP 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. Since the passage of this bill, several jurisdictions, as well as the Clerks of the Court, have seen notable dips in reported BPP.

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.

Accordingly, the Department respectfully requests a FAVORABLE report on Senate Bill 137.

Maryland Department of Assessments and Taxation  
700 E Pratt Street Suite 2100 Baltimore, MD 21202  
1-888-246-5941 TTY: 1-800-735-2258