

SB0427_RichardKaplowitz_FAV
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TESTIMONY ON SB#0427 - POSITION: FAVORABLE

Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget & Taxation Committee
FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB0427, **Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers**

Creating a specific subclass of personal property for qualified data centers in Maryland is proposed as a strategic economic development tool to attract, retain, and grow high-tech infrastructure in the state, specifically by reducing the heavy tax burden on rapidly depreciating computer equipment.¹

This policy, often associated with legislation like SB 397 (2020) and subsequent initiatives, is driven by the following factors:

- **Regional Competition and Competitiveness**
- **Economic Development and Job Creation**
- **Addressing Rapid Depreciation**
- **Local Government Flexibility**
- **Minimal Service Demand**
- **Leveraging Secondary Data Center Opportunities**

To achieve these goals and provide that strategic economic development from locating data centers in Maryland this bill will authorize the Mayor and City Council of Baltimore City or the governing body of a county to establish, by law, a subclass of personal property consisting of all the personal property of certain qualified data centers and set a special personal property tax rate for the subclass; and applying the Act to all taxable years beginning after June 30, 2026.

There are many claims about the financial benefits of data centers, this bill attempts to ensure some of them are actually created for Maryland.

I respectfully urge this committee to return a favorable report on SB#/0427.

¹ Google AI Search “Why should Maryland create a subclass of personal property consisting of all the personal property of certain qualified data centers”