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- I am in FAVOR of SB0427
- The driving force of SB0427 is the protection and continue support of **small** businesses, while increasing County revenues via a **data center industry standard** of imposing a County personal property tax.
- SB0427 has a **zero cost to the State of Maryland.**
- SB0427 does **not create a new** personal property tax on qualified data centers.
- Currently, Maryland counties are **authorized** under Section 6-202 of the Tax-Property Article to impose a business personal property tax on businesses, including qualified data centers.
- Currently, **Frederick County chooses not to impose the business personal property tax** in order to attract and support small businesses.
- However, data centers are being constructed and opening for business in Frederick County.
- Under current Maryland law, if Frederick County desires to collect personal property tax from data centers, consequently, the personal property tax must be imposed on **all** businesses. This would create a disproportionate burden to small businesses that Frederick County chooses not to support.
- Alternatively, Frederick County would be fiscally irresponsible for not collecting the significant revenue from a business personal property tax from qualified data centers.
- SB0427 would remedy this situation by authorizing a County, such as Frederick County, to **increase tax revenue only from qualified data centers** without affecting any other small businesses.
- While the data center industry lobbyists are opposed to SB0427, this committee needs to look no further than Loudon County, VA to see that imposed personal property taxes on data centers have little to no effect of discouraging the data center industry from building and operating in a County.