HOUSE BILL 480

Q1 5lr0121
CF SB 590

By: **The Speaker (By Request – Administration) and Delegates Adams, Afzali, Anderton, Arentz, Aumann, Buckel, Carozza, Cassilly, Ciliberti, Cluster, Fisher, Flanagan, Folden, Ghrist, Grammer, Hornberger, S. Howard, Impallaria, Jacobs, Kipke, Kittleman, Krebs, Long, Mautz, McComas, McConkey, McDonough, McMillan, Metzgar, Miele, Morgan, O'Donnell, Otto, Parrott, Rey, Saab, Szeliga, Vitale, Vogt, West, B. Wilson, and C. Wilson**
Introduced and read first time: February 9, 2015
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Small Business Personal Property Tax Relief Act of 2015

FOR the purpose of exempting from the personal property tax persons with personal property that is assessed at less than a certain amount of total assessed value; exempting certain persons from certain annual reporting requirements and any associated fees under certain circumstances; requiring an appropriation in the annual State budget for certain reimbursements to counties or municipal corporations in certain years; requiring the Department to establish application procedures for a certain purpose; providing for the application of this Act; and generally relating to the personal property tax.

BY adding to
Article – Tax – Property
Section 7–245
Annotated Code of Maryland
(2012 Replacement Volume and 2014 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Tax – Property

7–245.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(A) EXCEPT FOR RAILROADS AND PUBLIC UTILITIES, A PERSON WITH PERSONAL PROPERTY THAT HAS A TOTAL ASSESSED VALUE OF $10,000 OR LESS IS EXEMPT FROM:

(1) THE PERSONAL PROPERTY TAX;

(2) THE REPORTING REQUIREMENTS UNDER TITLE 11 OF THIS ARTICLE; AND

(3) THE FEE TO BE PAID WITH THE FILING OF AN ANNUAL REPORT UNDER TITLE 11 OF THIS ARTICLE.

(B) AS PROVIDED IN THE STATE BUDGET, THE STATE SHALL, FOR EACH EXEMPTION GRANTED UNDER SUBSECTION (A)(1) OF THIS SECTION, REMIT TO EACH COUNTY OR MUNICIPAL CORPORATION AN AMOUNT EQUAL TO:

(1) IN THE FIRST YEAR, 100% OF THE TAX THAT WOULD HAVE BEEN COLLECTED IF THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION HAD NOT BEEN GRANTED;

(2) IN THE SECOND YEAR, 75% OF THE TAX THAT WOULD HAVE BEEN COLLECTED IF THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION HAD NOT BEEN GRANTED;

(3) IN THE THIRD YEAR, 50% OF THE TAX THAT WOULD HAVE BEEN COLLECTED IF THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION HAD NOT BEEN GRANTED; AND

(4) IN THE FOURTH YEAR AND EACH YEAR THEREAFTER, 0%.

(C) IN CALCULATING THE AMOUNT REQUIRED TO BE REMITTED UNDER SUBSECTION (B) OF THIS SECTION, THE TAX THAT WOULD HAVE BEEN COLLECTED SHALL BE BASED ON THE ASSESSED VALUE OF THE PERSONAL PROPERTY AT THE TIME THE PERSON APPLIED FOR THE EXEMPTION UNDER SUBSECTION (D) OF THIS SECTION.

(D) (1) A PERSON SHALL APPLY TO THE DEPARTMENT FOR THE EXEMPTION UNDER SUBSECTION (A)(1) OF THIS SECTION.

(2) THE DEPARTMENT SHALL SPECIFY PROCEDURES FOR APPLICATION FOR, APPROVAL OF, AND MONITORING OF CONTINUING ELIGIBILITY FOR THE EXEMPTION UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the State budget for fiscal year 2017 shall include an appropriation to each county or municipal corporation equal to 100% of the tax that would have been collected in fiscal year 2016 if the exemption under § 7–245(a)(1) of the Tax – Property Article had not been granted.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2015, and shall be applicable to all taxable years beginning after June 30, 2015.