

HB215: Personal Property Tax - *Depreciation of Assessed Value*



Ways and Means Committee

February 1, 2022

Sponsor: Delegate Parrott

What happens when personal property for your business gets old?

- Currently, office personal property depreciates at a rate of 20% per annum
- The minimum assessment is 25% of the original cost
- Even these old printer would be taxed at 25% of their original cost, despite being useless for the company.



Current Personal Property Tax Rates Per County

County	Tax Rate	County	Tax Rate
Allegany	2.4375	Harford	2.5698
Anne Arundel	2.332	Howard	2.535
Baltimore City	5.62	Kent	0
Baltimore County	2.75	Montgomery	1.7945
Calvert	2.23	Prince George's	2.5
Caroline	2.45	Queen Anne's	0
Carroll	2.515	St. Mary's	2.1195
Cecil	2.5697	Somerset	2.50
Charles	2.8525	Talbot	0
Dorchester	2.44	Washington	2.37
Frederick	0	Wicomico	2.1715
Garrett	0	Worcester	2.1125

Different Maryland Personal Property Depreciation Rates

Category	% per annum	% Stops	Types of Personal Property
A	10%	25%	All other property
B	20%	25%	Computers
C	20%	25%	Most office equipment
D	30%	10%	Data processing equipment
E	33.3%	25%	Equipment rental & window coverings
F	50%	25%	Rental uniforms & pinball machines
G	5%	25%	Boats

Personal Property Tax Example:

\$1,000 over 10 years

Federal*			State**		
Years	Percent	Depreciated value	Years	Percent	Depreciated value
1	5%	\$950	1	20%	\$800
2	10%	\$850	2	20%	\$600
3	10%	\$750	3	20%	\$400
4	10%	\$650	4	15%	\$250
5	10%	\$550	5	0%	\$250
6	10%	\$450	6	0%	\$250
7	10%	\$350	7	0%	\$250
8	10%	\$250	8	0%	\$250
9	10%	\$150	9	0%	\$250
10	10%	\$50	10	0%	\$250
11	5%	0	11	0%	\$250

*Rate using Straight Line Method with Half-Year Convention

** Rate using Category B



What this bill does:

- ✓ **Personal property in Maryland would depreciate to zero**
- ✓ **Personal property depreciation would follow the Federal Rate, rather than a different state rate.**
- ✓ **Puts money back in the taxpayers' pocket**
- ✓ **Reduces paperwork confusion for businesses**



Please vote for HB 215

Questions?