



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

DATE: January 9, 2020

BILL NUMBER: SB 115

COMMITTEE: Budget and Taxation

BILL TITLE: Annual Personal Property Reports – Submission

SDAT POSITION: Support

The State Department of Assessments and Taxation (SDAT) supports SB 115, a bill that would clarify statutory language to conform with existing practices. Every business is required to submit an Annual Report once a year, while generally it is only required to submit a Personal Property Return if it owns, leases, or uses personal property. Current statutory language does not clearly explain this distinction.

This bill will define the different annual filing requirements between entities that do and do not have personal property. Under the current statutory language, businesses are often confused as to why they have to submit a personal property return when they do not own any personal property. The reality is that *every* business has to submit an annual report, but only *certain* businesses have to submit a personal property return. Notably, the \$300 filing fee attaches to the annual report, which every business is required to file, while the personal property return portion does not have a distinct and separate fee requirement.

SB 115 will make it clear that every business is required to file an Annual Report, but only certain businesses need to also file a Personal Property Return. This change will lead to a better understanding of the annual filing requirements, but will not impact those actual requirements.

Lastly, the introduction of this bill will have neither operational nor fiscal impact on any party.

For these reasons, we strongly urge a favorable report by the Committee for Senate Bill 115.

Office of the Director

300 W. Preston St., Room 605, Baltimore, MD 21201

www.dat.maryland.gov

410-767-1184 (phone) 1-800-552-7724 (MD Relay)
410-333-5873 (fax) 1-888-246-5941 (toll free)