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# **Guide to Local Government Taxing Authority**

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**Department of Legislative Services  
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## **Primary Staff for This Report**

Stanford Ward

## **Other Staff Who Contributed to This Report**

Hiram Burch  
Trevor Owen  
April Noren

### **For further information concerning this document contact:**

Library and Information Services  
Office of Policy Analysis  
Department of Legislative Services  
90 State Circle  
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 • Washington Area: 301-970-5400

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# Allegany County

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## Taxes

**Transfer Tax:** Code county. All State exemptions apply. Exemption for the first \$50,000 of the consideration payable for the principal residence of the grantee. It is general fund revenue. §§ 492-4 through 492-12, TP § 13-402.1.

**Recordation Tax:** § 492-15, TP § 12-103.

**Natural Gas Tax:** Severance tax on natural gas distribution and production at 7% of wholesale market value. Tax is paid 60% by the producer and 40% by the purchaser. The revenues go to the General Fund. §§ 394-1 through 394-10. These provisions are State law. – Chapter 711 of 1970.

## Special Taxing Districts

There are nine special taxing districts, created by State law. §§ 166-1 through 166-51. See also LaVale Sanitary District, also created by State law. §§ 127-1 through 127-40.

## Miscellaneous

**Property Tax Collection Fee:** The county imposes a fee of 3% for taxes collected through tax sale on behalf of another taxing agency (such as a municipality). The fee is paid by the delinquent taxpayer. § 492-13 and 492-14.

**Homestead Percentage:** § 492-28, TP § 9-105.

**Real Estate Tax Set-aside Program:** This program is similar to a Tax Increment Financing. 75% of taxes from increased assessment goes to infrastructure to support a planned residential community §§ 492-23 through 492-26.

**Clean Energy Loan Program:** For commercial properties. §§ 492-38 through 492-46; LG §§ 1-1101 through 1-1110.

## **Tax Credits**

**Brownfields:** § 492-16; TP § 9-229.

**Historic:** § 492-17; TP § 9-204.1.

**Undeveloped Subdivided Land:** For undeveloped land that is subdivided or future residential development. §§ 492-18 through 492-22; TP § 9-302(k).

**Virginia Avenue Revitalization:** For properties in a designated district in Cumberland. §§ 492-27; TP 9-302(g).

**Residential Fire Protection Sprinkler System:** Expires June 30, 2020. §§ 492-31 through 492-33; TP § 9-232.

**Rehabilitation of Commercial Structures:** For bringing old buildings into compliance with safety and accessibility standards. Only in municipalities that have adopted the same tax credit. §§ 492-34 through 492-36, TP § 9-256.

**Economic Development Incentive:** For new companies providing new employment. §§ 300-1 through 300-6.

## **Exemptions**

**Manufacturing Personal Property Exemption:** Exemption applies to the portion of the assessment over \$50,000. Exemption is for 10 years. §§ 492-1 through 492-3; TP §§ 7-225, 7-108, 9-302(i).

# Anne Arundel County

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## Property Tax Cap

Revenues may not increase compared to previous year by more than the Consumer Price Index or 4.5%, whichever is less. Charter, § 710(d).

## Taxes

**Transfer Tax:** Authority, Chapter 610 of 1975, § 4-3A-102. Rate is generally capped at 1%. However, the county may increase the rate on transfers of \$1 million or more, except for affordable housing projects. Any revenue attributable to a tax rate in excess of 1% must be distributed to a special fund to be used for affordable housing. § 4-11-124. All State exemptions apply. There are also some additional exemptions. § 4-3A-101.

**Recordation Tax:** § 4-3A-103, TP § 12-102. Revenue attributable to any special recordation tax rate in excess of the generally applicable rate that is imposed on transfers of \$1 million or more must be distributed to a special fund to be used for affordable housing. § 4-11-124.

**Admissions and Amusement Tax:** Rate is 10% except movie theaters are 7.5%. There are several special exemptions. § 4-5-101, TG § 4-102.

**Fuel Tax:** Does not apply to residences, motor fuel, or nonprofits. Applies to oil, liquefied petroleum gas, and coal. Tax is collected by the seller from the purchaser. § 4-6-103, LG § 20-603.

**Gas, Electricity, Steam, and Telephone Tax:** Taxes do not apply to nonprofits. Telephone: Applies to local exchange service originating within the county. The rate of tax is 8% on the gross sales price for business and residence local exchange telephone lines or trunks, Centrex exchange access lines, and local telecommunications messages. Tax does not apply to wireless. Individuals at least 65 or totally disabled with a combined gross income of \$8,000 or less are exempt. Gas, electricity, and steam: Tax does not apply to residential use of artificial or natural gas and electricity. Tax applies to commercial and industrial use of artificial or natural gas, electricity, and steam delivered in the county. Tax is paid by the consumer. There are lower rates for manufacturing activity. Tax is collected by the utility. § 4-6-104, LG § 20-603.

**Hotel Tax:** Tax applies to “room remarketers.” County may agree to delegate collection responsibility to the City of Annapolis. § 4-6-105, LG § 20-603.



**Parking Tax:** Does not apply in City of Annapolis. The tax is \$0.60 for each motor vehicle parked for each 24-hour period or fraction of a 24-hour period. § 4-6-106, LG § 20-603.

**Development Impact Fee:** Applies to residential and nonresidential development based on square footage. There are separate fees for roads, schools, and public safety. The fee for schools does not apply to nonresidential development. Credits are available for conveyances of land or facilities to the county. Exemptions include assisted living facilities, hospitals, and affordable housing. §§ 17-11-201 through 17-11-213. The State enabling statute for the development impact fee is codified in § 17-11-213. This statute authorizes the county to grant exemptions from the fee to nonprofit entities that have been in existence for at least three years.

## **Special Taxing Districts**

There are many special taxing districts, including special community benefit districts, shore erosion control districts, and waterways improvement districts. §§ 4-7-101 through 4-7-406, LG, Title 21, Subtitles 3 and 5, NR, §§ 80-705 through 8-708.1. There is also authorization to create special taxing districts for infrastructure improvements by ordinance. §§ 4-8-101 through 4-8-106, LG, Title 21, Subtitle 5.

## **Miscellaneous**

**Interest and Penalty:** Interest rate on overdue property taxes is 0.5% per month, plus a penalty of 0.5% per month. § 4-1-103.

**Tax Sales:** Properties are sold if tax is unpaid on April 1 of the fiscal year. Sale is in May or June. Redemption interest is 18%. § 4-1-105.

**Refunds to Blind Individuals and Disabled Veterans:** Refunds to individuals who receive an exemption under the State code for any year in which the exemption was authorized but not granted, up to five years. § 4-2-202, TP §§ 7-207(f) and 7-208(g).

**Property Tax Deferral Program:** For individuals at least 62 years old or disabled with a gross income not exceeding \$55,000. § 4-2-203, TP § 10-204.6.

**Clean Energy Loan Program:** For commercial properties. §§ 4-2-401 through 4-2-403, LG §§ 1-1101 through 1-1110.

**Payment in Lieu of Taxes (PILOT) for Electric Generation Facility:** County executive may negotiate; must be approved by council. § 4-3-103, TP § 7-514.

Reduction in Assessment for Qualified Data Center Personal Property – § 4-3-104, TP § 7-248

## Tax Credits

**Homeowners' Supplement:** Enhanced supplement for individuals at least 70 years old who have lived in the home for at least 10 years. § 4-2-204, TP § 9-215.

**911 Operator:** § 4-2-301, TP § 9-262.

**Agricultural Land:** For owners who agree to put the property in an agricultural preservation district for at least 10 years. § 4-2-302, TP § 9-303.

**Airport Noise Zone:** For owner-occupied property. § 4-2-303, TP § 9-216.

**Property Leased by Anne Arundel Community College at Arundel Mills:** § 4-2-304, TP § 9-303.

**Arundel Habitat for Humanity:** For properties being transferred to new ownership. § 4-2-305, TP § 9-252.

**Brownfields:** § 4-2-306, TP § 9-229.

**Commercial Revitalization:** § 4-2-307.

**Conservation Land:** § 4-2-308, TP § 9-220.

**Disabled or Fallen Law Enforcement Officers and Rescue Workers:** § 4-2-309, TP § 9-210.

**Geothermal Energy Devices:** § 4-2-310, TP § 9-203.

**High Performance Buildings:** § 4-2-311, TP § 9-242.

**Historic Preservation:** For expenses for restoration and rehabilitation. § 4-2-312, TP § 9-204.

**Public Safety Officers:** § 4-2-313, TP § 9-260.

**Religious Organizations:** For commercial property leased, occupied, or used by a religious organization. § 4-2-314, TP § 9-222.

**Residential Rehabilitation:** Must involve substantial demolition and rebuilding. § 4-2-315, TP § 9-236.

**Solar Energy Device:** § 4-2-316, TP § 9-203.

**Stormwater Management and Erosion Control:** For commercial or residential. § 4-2-317, TP § 9-217.

**Disabled Veteran and Surviving Spouse:** § 4-2-318, TP § 9-265.

**Retired Veteran:** § 4-2-319, TP § 9-258.

**Village Commons Community Center:** § 4-2-320, TP § 9-303.

**Foreign Trade Zones:** Personal property credit. § 4-3-101, TP § 9-231.

**Research and Development:** Personal property credit. § 4-3-102, TP § 7-237.

## **Exemptions**

**Aircraft Landing Areas:** § 4-2-201, TP §§ 7-303, 8-302.

**Community Associations:** § 4-2-201, TP § 9-303(b)(1).

# Baltimore City

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## Taxes

**General Taxing Authority:** The city has the power to tax “to the same extent as the State” with certain important limitations. Includes the authority to tax gross receipts with certain limitations. Includes the power to tax taxis. The city may also grant exemptions from any tax. This authority was enacted by the State. The law specifically does not authorize taxes on the following, among other things: alcoholic beverages; intangible personal property; motor fuel; vehicle registration; vehicle titles; income; horseracing and pari-mutuel betting; corporate franchises; recording of corporate papers; savings institutions; insurance premiums; inheritances; and estates. The provisions of the section prevail over any inconsistent provisions. Originally enacted as Chapter 27 of 1951. Charter, Art. II § 40.

**Recordation Tax:** Exemption for first \$22,000 of consideration for principal residence of the grantee. City Code, Art. 28 §§ 16-1 and 16-2, TP § 12-102.

**Transfer Tax:** Exemption for first \$22,000 of consideration for principal residence of the grantee, if the total consideration payable is less than \$250,000. There are many specific provisions concerning the application and administration of the tax and exemptions. City Code, Art. 28 §§ 17-1 through 17-16.

**Yield Excise Tax:** The tax applies to transactions subject to recordation and transfer taxes whose value exceeds \$1 million. The tax rate is 15% of the amount of recordation taxes collected and 40% of the amount of transfer taxes collected. Revenue from the tax up to \$16 million, plus half of any revenue in excess of \$16 million, is dedicated to affordable housing. City Code, Art. 28 §§ 17.1-1 through 17.1-7.

**Income Tax:** City Code, Art. 28 §§ 18.1 through 18-3.

**Admissions and Amusement Tax:** The general rate is 10% but for historic theaters and certain single-screen movie theaters the rate is 5%. There are exemptions for nonprofit community associations, restaurants that provide entertainment consisting of a single roving performer qualifying residing artists or arts and entertainment enterprises in an arts and entertainment district, and simulated slot machines. City Code, Art. 28 §§ 19-1 through 19-5.

**Beverage Container Tax:** Dairy products, dairy product substitutes such as soy milk, beverages containing at least 10% natural fruit juice, and beverages in a container two liters or larger are exempt. Reusable containers are also exempt. Tax is imposed on “distributors”

who supply beverage containers to “dealers”, who are generally retailers. The tax is a lien on the property of the taxpayer. City Code, Art. 28 §§ 20-1 through 20-13.

**Hotel Tax:** Imposed on gross amounts of money received by hotels and hosting platforms. City Code, Art. 28 §§ 21-1 through 21-10.

**Parking Tax:** Applies to short and long-term parking. Rate is 20%. There are exemptions for publicly owned metered parking, parking for tenants and condo owners whose landlords or condo associations agree to provide parking, and a partial exemption for nonprofit parking lot operators. City Code, Art. 28 §§ 22-1 through 22-12.

**Pole License Fee:** The fee is imposed on telegraph, telephone, electric light, or other poles in any of the streets, lanes, or alleys of the city. The fee does not apply to streetlamp poles or electric trolley poles. The name of the owner must be marked on each pole. The fee is \$50 annually for each pole. Metal plates are issued by the city to persons who have paid the fee to be affixed to each pole for which the fee has been paid. Noncompliant poles may be removed. City Code, Art. 28 §§ 23-1 through 23-7.

**Passenger-for-Hire Services Tax:** Imposed on taxis, limousine services, and transportation network services, and other similar services. The excise tax is \$0.25 for each trip within the city or originating in the city. Exemptions for government, nonprofits, ambulances, and funeral vehicles. The tax is a lien on the property of the taxpayer. City Code, Art. 28 §§ 24-1 through 24-13.

**Telecommunications Tax:** Imposed on person who leases, licenses, or sells a telecommunications line to a customer whose billing address or fixed address for wired service is in the city or whose place of primary use of wireless service is in the city. The rates are \$0.40 per month for each Centrex local exchange access line or trunk line and \$4 per month for all other telecommunications lines. Rates may not be increased on residential customers or the members of the Maryland Hospital Association or members of the Maryland Independent College and University Association as long as the memorandum of understanding between the city and these associations is in effect. Tax does not apply to lifeline service. City Code, Art. 28 §§ 25-1 through 25-10.

**Energy Tax:** Imposed on artificial or natural gas, electricity, coal, fuel oil, liquefied petroleum gas, or steam delivered through pipes, wires, or conduits for consumption in the city. Tax is imposed on the total amount billed to the customer, except for finance charges, late payment charges, other government taxes or surcharges, and connection charges. Government is exempt. Rates are adjusted annually based on the Consumer Price Index. The percentage of the tax required to be paid by certain classes of users is specified. Rates may not be increased on residential customers or the members of the Maryland Hospital Association or members of the Maryland Independent College and University Association as long as the memorandum of understanding between the city and these associations is in

effect. The rates are set through the operating budget. The tax is separately itemized on the customer's bill. City Code, Art. 28 §§ 25-11 through 25-23.

**Tobacco Tax:** Imposed on cigars, pipe tobacco, or smokeless tobacco. There are different rates for different types of tobacco. Tax was enacted in 1999. This tax is preempted by State law. See Tax-General § 12-102(b). The enacting ordinance stated that the tax would terminate if a statewide tax on other tobacco products became effective, which occurred in 2000. Therefore, this tax is not currently collected or enforced, although it remains on the books. City Code, Art. 28 §§ 27-1 through 27-13.

**Controlled Dangerous Substances Tax:** Imposed on each separate sale, or use, storage, or consumption of controlled dangerous substances. The tax rate is 15%. The tax shall be paid by the person who sells, stores, consumes, or steals the controlled dangerous substances subject to the tax. The tax is payable for each separate taxable event and every person who is a party to the event is jointly and severally liable for the payment of the tax, but the tax is not duplicated when there is in fact only one transaction or event. Tax is payable within 15 days of the taxable event. Notice of the tax due shall be given to the taxpayer when practicable but is not required. Notice of the tax shall be given within three years. Unpaid tax is a lien on the real and personal property of the taxpayer. Information obtained and testimony given in connection with the tax is confidential and may not be used in a criminal proceeding. City Code, Art. 28 §§ 28-1 through 28-19, LG § 20-601.

**Outdoor Advertising:** Imposed on owners of outdoor advertising displays, which are outdoor displays of a 10 square foot or larger image or message that directs attention to a business, commodity, service, event, or other activity that is sold, offered, or conducted somewhere other than on the premises on which the display is made, and sold, offered, or conducted on the premises only incidentally if at all. Rates are \$15 per square foot of advertising imagery for an electronic outdoor advertising display that changes images more than once a day and \$5 per square foot of advertising imagery for any other outdoor advertising display. Tax is due annually. City Code, Art. 28 §§ 29-1 through 29-14.

**Dockless Vehicles:** Imposed on providers of dockless vehicles for hire, such as bicycles, e-bikes, or e-scooters. The tax rate is 10 cents per dockless vehicle for hire rental. City Code, Art. 28 §§ 31-1 through 31-5.

**Checkout Bag Surcharge:** Imposed on paper or plastic bags provided at the point of sale, pickup, or delivery to carry purchased items. The city has banned most plastic checkout bags, but compostable plastic bags are not banned and are subject to the surcharge. (See City Code, Art. 7 §§ 62-1 through 62-11 for the plastic bag ban.) There are exemptions from the ban and the surcharge for bags used for fresh fish, meat, and poultry, unpackaged fruit, nuts, confectionary, cheese, baked goods, ice, goods obtained at a farmer's market, prescription drugs, newspapers, and dry cleaning. The surcharge is 5 cents per bag. The

surcharge must be itemized on the customer's receipt. The dealer may retain 4 cents of the surcharge to cover administrative costs. City Code, Art. 28 §§ 32-1 through 32-11.

## **Baltimore City Special Taxing Districts**

**Downtown Commercial District Management Authority:** For the purpose of promoting or marketing the district, providing supplementary security and maintenance services, and providing amenities in public areas. Taxes and charges may be imposed within the district to fund its activities. Taxes and charges do not apply to property exempt under State law from ordinary property taxes or to residential property with fewer than four dwelling units. Taxes and charges must be approved by the Board of Estimates. The property owners in the district must approve the ordinance creating the district. Charter, Art. II § 61; City Code, Art. 14 §§ 1-1 through 1-21.

**Special Taxing Districts for Infrastructure Improvements:** A district is created if the owners of at least two-thirds of the assessed valuation of the real property located within the district and at least two-thirds of the owners of the real property located within the district request the creation of the district. Ad valorem or special taxes may be imposed within a district to fund infrastructure improvements. Charter, Art. II § 62A.

**Community Benefits District Authorities:** For the purpose of promoting and marketing the districts, providing supplemental security and maintenance services, providing amenities in public areas, providing park and recreational programs and functions, and after an authority is established, other services and functions as requested by the authority and approved through an ordinance by the Mayor and City Council. The section specifically authorizes the Charles Village Community Benefits District and the Midtown Community Benefits District. Taxes and charges may be imposed within the district to fund its activities. Taxes and charges do not apply to property exempt under State law from ordinary property taxes. Taxes and charges must be approved by the Board of Estimates. The property owners in the district must approve the ordinance creating the district. Charter, Art. II § 63; City Code, Art. 14 §§ 6-1 through 6-17 (Charles Village), 7-1 through 7-17 (Midtown), 8-1 through 8-17 (Waterfront), 9-1 through 9-17 (York Corridor), 10-1 through 10-17 (Port Covington).

**East Baltimore Community Benefits District Authority:** For the purpose of promoting and marketing the district, providing supplemental security and maintenance services, providing amenities in public areas, providing park and recreational programs and functions, and providing other services and functions as approved by an ordinance. Taxes are authorized within the district, including varying rates on different classes of property. Tax credits are authorized for low-income families. Taxes do not apply to property exempt under State law from ordinary property taxes. The property owners in the district must approve the ordinance creating the district. Charter, Art. II § 66.

**Tourism Improvement District:** For the purpose of marketing, sales, and other promotional programs and activities to increase tourism in the district and providing other services and functions as approved by an ordinance. The district is governed by a private nonprofit destination marketing organization that promotes tourism to the city and the convention center. Special assessments may be levied on businesses in the district to fund its activities, including varying rates on different classes of businesses. The property owners in the district must approve the ordinance creating the district. The district includes the entire city and is run by Visit Baltimore, Inc. The assessment is only imposed on hotels and is collected along with the city's hotel tax. Charter, Art. II § 70; City Code, Art. 14 §§ 20-1 through 20-17.

**Retail Business Districts:** Procedures are set forth for establishing retail business district by ordinance. The district may provide public safety, sanitation, and marketing services. The district is funded by an annual license fee on businesses based on the square feet of the business. Districts have been established for Oldtown Mall, Market Center, Pimlico, Monument Street, Highlandtown, Hamilton, Federal Hill, Pennsylvania Avenue/Lafayette Market, and Mount Washington. City Code, Art. 14 §§ 11-1 through 11-30.

## **Miscellaneous**

**Statute of Limitations:** Taxes may not be collected after four years. Public Local Laws § 23-1.

**Uniformity of Taxation:** Taxes must be the same within each class of property. Charter Art. I, § 6.

**Licensing and Taxation:** The city may “license, tax and regulate all businesses, trades, vocations or professions and license, regulate, tax or suppress hawkers, peddlers, brokers, pawnbrokers, intelligence officers, street exhibitions or fortune-tellers.” Charter, Art. II, § 17.

**Tax Certificates:** The city may issue certificates stating which taxes and charges exist against a property. Instrument transferring property may not be recorded in the land records unless all liens are paid. Charter, Art. II § 19 and Art. VII § 13; City Code, Art. 28 §§ 2-1 and 2-6.

**Environmental Citations:** A property may not be offered for sale at a tax sale solely for nonpayment of environmental citations unless the total amount of unpaid environmental citations is at least \$1,000 and after exhaustion of all administrative and judicial rights of appeal. Charter, Art. II § 19.



**Sewer Liens:** Sewer charges may be a lien on property and enforced through tax sale. Charter, Art. II § 31.

**Property Tax Assessment and Tax Sale:** The city may assess property taxes and enforce the taxes through the sale of real or personal property. Charter, Art. II § 39.

**Hotel Tax Revenue Distribution:** 40% of the revenue is dedicated to Visit Baltimore for the marketing and operation of the Convention Center and tourism promotion. Charter, Art. II § 40.

**Taxation and Classification of Property:** The section does not give the city the authority to initiate legislation relating to the classification and taxation of real and personal property. (The meaning of this section is unclear.) Charter, Art. II § 49.

**Tax Increment Financing:** Charter, Art. II § 62.

**Land Bank Authority:** The authority may acquire tax delinquent property sold at a tax sale. Charter, Art. II § 65.

**Street, Alley, and Footway Assessments:** The city may open, extend, widen, straighten, close, or grade any street, alley, or footway and require benefitted property owners to pay for the work through benefit assessments. The benefit assessments may be enforced through tax sale. A property owner who received a homeowners' tax credit in the previous year is eligible for an equivalent credit against a benefit assessment. Charter, Art. VII § 116A; City Code, Art. 26 §§ 12-1 and 12-2.

**Tax Sale of Personal Property:** Charter, Art. VII § 15.

**Taxes Are a Personal Debt and a Lien:** Taxes are the personal debt of the taxpayer and a lien on the person's property. Charter, Art. VII § 16.

**Refunds:** Claims must be filed within three years. City Code, Art. 28 §§ 3-1 through 3-6.

**Warning of Tax Sale:** Bills for charges that are a lien on the property must warn the property owner that the property could be sold and subject to foreclosure. City Code, Art. 28 § 4-4.

**Partial Year Taxes, Interest and Penalties:** City Code, Art. 28 §§ 6-1 through 6-5.

**Semiannual Payments:** For owner-occupied properties. City Code, Art. 28 §§ 7-1 through 7-6.

**Installment Payments:** Property tax may be paid in monthly installments. City Code, Art. 28 §§ 7A-1 through 7A-3, TP §10-208

**Tax Sales:** Redemption interest rate. Resales of properties acquired by the city at tax sale. Exemption from tax sale for certain low-income or disabled homeowners who have lived in their homes for at least 15 years. Homeowners must file an application to be exempt for 1 year. The exemption can be renewed on application by a homeowner. The exemption program is capped at \$2 million worth of liens annually. City Tax Sale Ombudsman. City Code, Art. 28 §§ 8-1 through 8-6.

**In Rem Foreclosure – Vacant and Abandoned Property:** Tax liens must exceed the property value. Detailed procedures are specified. City Code, Art. 28 §§ 8.1-1 through 8.1-15.

**Affordable Housing Payment in Lieu of Taxes (PILOT):** For developers who include affordable housing. The payment must be at least 75% of the tax that would otherwise be due. The program is capped at \$2 million annually. City Code, Art. 28 § 9-6.

**Hotel PILOTs:** For hotels built on city-owned property in an urban renewal area that include a minimum investment of \$50 million in private capital. The economic terms of individual PILOTs are approved by separate ordinance. City Code, Art. 28 §§ 12-1 through 12-5, TP § 7-501.

**Homestead Percentage:** City Code, Art. 28 § 10-1.

**Clean Energy Loan Program:** For commercial properties. City Code, Art. 28 §§ 30-1 through 30-8, LG §§ 1-1101 through 1-1110.

## Tax Credits

**Portable Homestead:** For individuals who have occupied a home in the city for five years and then move to a new home in the city. The credit is a fixed amount allocated over five years. New applicants may not enter the program after July 1, 2020. City Code, Art. 28 § 10-1.1, TP § 9-304(g).

**Dwellings on Cemetery Property:** If used by an employee or owner of the cemetery. City Code, Art. 28 § 10-2, TP § 9-202.

**Vacant Dwellings:** For vacant dwellings substantially rehabilitated and occupied by the owner. City Code, Art. 28 § 10-3, TP § 9-304(c).

**Newly Constructed Dwellings:** For owner-occupants. City Code, Art. 28 § 10-5, TP § 9-304(d).

**Home Improvements:** For dwellings substantially rehabilitated and reassessed at a higher value. City Code, Art. 28 § 10-6, TP § 9-304(e).

**Neighborhood Preservation and Stabilization Demonstration Project:** The credit is expired. City Code, Art. 28 § 10-7, TP § 9-326.

**Historic Improvements:** City Code, Art. 28 § 10-8, TP § 9-204.1.

**Newly Constructed Market-rate Rental Housing:** The credit is expired. City Code, Art. 28 § 10-9, TP § 9-304(f).

**Brownfields:** City Code, Art. 28 § 10-10, TP § 9-229.

**South Baltimore Little League:** City Code, Art. 28 § 10-11.

**Northwest Family Sport Center:** Personal property credit. City Code, Art. 28 § 10-12.

**Telecommunications Renovations:** For commercial buildings in designated areas to which renovations have been made to meet state-of-the-art communications standards. City Code, Art. 28 § 10-13, TP § 9-228.

**Arts and Entertainment Districts:** For renovations made to a manufacturing, commercial, or industrial building and is renovated for use by a residing artist or arts and entertainment enterprise. City Code, Art. 28 § 10-14, TP § 9-240.

**Fallen Heroes:** For surviving spouses of fallen law enforcement officers or fire, rescue, or emergency medical service workers. City Code, Art. 28 § 10-15, TP § 9-210.

**Targeted Homeowners' Credit:** For owner-occupied property that has qualified for the homestead credit. The amount of the credit is determined by multiplying the credit rate, as determined by the Board of Estimates, by the value of the improved portion of the property. City Code, Art. 28 § 10-16, TP § 9-221.

**High-performance Market-rate Rental Housing in Targeted Areas:** For environmentally friendly newly constructed or converted projects in certain areas. Applications are not accepted after December 31, 2017. City Code, Art. 28 § 10-17, TP § 9-242.

**High-performance Market-rate Rental Housing Citywide:** For environmentally friendly newly constructed or converted projects. Applications are not accepted after December 31, 2027. City Code, Art. 28 § 10-18, TP § 9-242.

**High-performance Newly Constructed Dwellings:** For environmentally friendly newly constructed dwellings. Applications are not accepted after June 30, 2027. City Code, Art. 28 § 10-18.1, TP § 9-242.

**Urban Agricultural Property:** City Code, Art. 28 § 10-19, TP § 9-253.

**Homeowners' Supplement:** For individuals at least 62 years old who have resided in the dwelling for at least 10 years and have a combined income of less than \$40,000. City Code, Art. 28 § 10-20, TP § 9-215.

**Public Safety Officers:** For the dwelling of a public safety officer. City Code, Art. 28 § 10-21, TP § 9-304(i).

**9-1-1 Specialists:** For the dwelling of a 9-1-1 specialist. City Code, Art. 28 § 10-22, TP § 9-262.

**Low-income Employees:** For the dwelling of a low-income city employee. City Code, Art. 28 § 10-23, TP § 9-304(k).

**Food Desert Incentive Areas:** Personal property credit for newly constructed or renovated supermarkets in food deserts. City Code, Art. 28 § 10-30, TP § 9-304(h).

## Exemptions

**Exemption of Manufacturing Personal Property:** The city may exempt manufacturing personal property from taxation. Charter, Art. II § 39. The city has exempted manufacturing equipment and manufactured materials in the hands of the manufacturer, including ores and unrefined metals. City Code, Art. 28 §§ 9-2 and 9-5.

**Hotel Tax Exemption for Corporate Facility:** A corporate facility used for meetings and training and not open to the public is exempt from the hotel tax. Charter, Art. II § 40.

**Household Furnishings:** City Code, Art. 28 § 9-1.

**Inventory:** City Code, Art. 28 § 9-3 and 9-4.

**Affordable and Inclusionary Housing:** City Code, Art. 28, § 9-6

**Aircraft Landing Areas:** City Code, Art. 28 § 9-7, TP § 8-302.

**Community-managed Open Space:** City Code, Art. 28 § 9-8, TP § 7-519.

# Baltimore County

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## Taxes

**General Taxing Authority:** County may tax “to the same extent as the state” with certain important limitations. Includes the authority to tax taxes. County may also grant exemptions from any tax. This authority was enacted by the State. A tax imposed under this authority must be advertised for two weeks, and a public hearing must be held. The law specifically does not authorize taxes on the following: alcoholic beverages; intangible personal property; motor fuel; vehicle registration; vehicle titles; income; horseracing and pari-mutuel betting; recording of corporate papers; savings institutions; insurance premiums; estates; and gross receipts. Originally enacted as Chapter 765 of 1949. § 11-1-102.

**Transfer Tax:** Enacted under the county’s general taxing authority. There are many unique exemptions, including, among others, transfers between husband and wife and divorced individuals, transfers between certain relatives when there is no consideration, transfers “by or to” governments, transfers to nonprofits, transfers by will or descent, transfers between parent and subsidiary corporations, and transfers on liquidations or dissolutions of businesses. The first \$22,000 of the consideration payable for the principal residence of the grantee is also exempt. § 11-3-202 and 11-3-204. For other transfer tax provisions see §§ 11-3-203 and 11-3-205 through 11-3-216.

**Electricity Tax:** Enacted under the county’s general taxing authority. Does not apply to nonprofits or residential customers. Does not apply to government taxes, charges, or fees. Tax imposed on the delivery, distribution, and transmission of electricity to a retail electric customer by an electric company. There is a lower rate for manufacturers. Exemption for consumption over a certain amount. Seller must collect the tax from the customer and itemize the tax on the bill. § 11-4-101.

**Telephone Tax:** Enacted under the county’s general taxing authority. Does not apply to nonprofits or prepaid wireless service. Applies to residence, business, or PBX local exchange access lines or trunk lines, wireless telephone lines, and Centrex local exchange access lines or trunk lines. For landlines, the tax is 8% of gross sales price of transmission of messages by telephone. For wireless lines, the tax is 8% per voice line charge on a cellular account, after any discounts, credits, special offers, or promotions have been applied. Tax is collected by the seller from the purchaser. §§ 11-4-201 through 11-4-203.

**Development Impact Surcharge:** Enacted under the county's general taxing authority. Applies to all nonresidential new construction that has been initiated on or after July 1, 2020. There are a variety of exemptions, including for nonresidential farm construction, government construction, religious organizations, enterprise zones, revitalization districts, opportunity zones, private schools, universities, and hospitals, transit-oriented developments, State hospital redevelopment, and housing for older people. Rates vary depending on the type of development and are assessed on a per square foot basis. Credits against the surcharge are available for capital improvements for transportation, sewers or schools or for the conveyance of land. Unpaid development impact surcharges are a lien against the property and are collected in the same manner as property taxes. §§ 11-4-301 through § 11-4-305.

**Transient Occupancy (Hotel) Tax:** Enacted under the county's general taxing authority. The revenue goes to the General Fund except that 8% goes to tourism promotion. Tax applies to "accommodations intermediaries." §§ 11-4-401 through § 11-4-406.

**Admissions and Amusement Tax:** There are no special rates or exemptions. §§ 11-4-601 and 11-4-602.

**Development Impact Fee:** The fee is imposed on residential new construction at a rate of 1.5% of the gross sales price. Does not apply to projects initiated before July 1, 2020. Revenue is kept in a separate account for capital improvements for schools, roads, and public safety facilities. Fee revenue must be spent in the district where it was collected. A credit is allowed for a conveyance of land or construction to the county. A credit of 35% is allowed for affordable housing. There are various exemptions, including construction that does not add housing units, government projects, dormitories, housing for older people, enterprise zones, revitalization districts, opportunity zones, private schools and hospitals, state hospital redevelopment, and religious organizations. § 32-6-111, LG § 20-701.1.

## Miscellaneous

**Clean Energy Loan Program:** For commercial properties. §§ 10-15-101 through 10-15-107, LG §§ 1-1101 through 1-1110.

**Homestead Percentage:** § 11-2-103, TP § 9-105.

**Property Tax Deferral Program:** For homeowners at least 65 years old or totally disabled with a combined gross income of \$30,000 or less. § 11-2-104.

**Refunds to Blind Individuals and Disabled Veterans:** Retroactive while pending approval for exemption. § 11-2-106, TP §§ 7-207(f) and 7-208(g).

**Date of Finality:** January 1 § 11-2-301.

**Interest on Overdue Taxes:** 1% per month § 11-2-303.

**Installment Payments:** § 11-2-304.

**Tax Sales:** Properties are sold if tax is unpaid on the first Monday in February of the taxable year. Sale is not earlier than the third Wednesday of April and not later than the last Thursday in October. Redemption interest is 12%. §§ 11-2-401 through 11-2-405.

## Tax Credits

**Neighborhood Preservation and Stabilization:** For individuals who purchase owner-occupied property in an area designated by the County Executive from July 1, 1996, through June 30, 2005. § 11-2-107.

**Brownfields:** § 11-2-108, TP § 9-229.

**Surviving Spouse of Fallen Law Enforcement Officer or Rescue Worker:** § 11-2-109, TP § 9-210.

**Disabled Law Enforcement Officer or Rescue Worker:** § 11-2-109.1, TP § 9-210.

**Conservation Land:** § 11-2-110, TP § 9-220.

**Homeowners' Supplement:** § 11-2-111, TP § 9-215.

**Historic Restorations and Rehabilitations:** For residential and commercial properties. § 11-2-201, TP § 9-204.1.

**Revitalization:** For improvements to commercial properties. § 11-2-202.

**High Performance Buildings:** § 11-2-203.1, TP § 9-242.

**High Performance Homes:** § 11-2-203.2, TP § 9-242.

**Energy Conservation Devices:** For solar and geothermal devices. § 11-2-203.3, TP § 9-203.



**Exemptions**

**Raw Materials and Manufacturing Equipment:** § 11-2-101.

**Commercial Inventory:** § 11-2-102.

**Aircraft Landing Areas:** § 11-2-105, TP § 8-302.

# Calvert County

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## Taxes

**Building Excise Tax:** Tax imposed on new residential construction at flat rates. Tax imposed on commercial, industrial, and institutional construction at a per square foot rate. A portion of the residential revenue and all the commercial, industrial, and institutional revenue is credited to the Solid Waste Enterprise Fund. The rest of the revenue goes to the Excise Tax Fund, which includes recreation, roads, and schools accounts. Replacement dwellings and affordable housing are exempt. §§ 136-11 through 136-20, LG § 20-803.

**Hotel Rental Tax:** §§ 136-21 through 136-24.

## Special Taxing Districts

**Authority to Create:** For homeowners' associations. State law. Public local laws §§ 4-101 through 4-104.

**Drum Point Special Taxing District:** The district continues through 2027. §§ 136-28 through 136-32

**Chesapeake Ranch Estates Special Taxing District:** The district exists for four years starting on July 1, 2019. §§ 136-42 through 136-46.

## Miscellaneous

**Payment in Lieu of Taxes (PILOT):** Procedures to enter into a PILOT with a facility for the liquefaction of natural gas. §§ 136-47 through 136-49.

**Refunds to Disabled Veterans:** Retroactive while pending approval for exemption. §§ 136-53 and 136-54, TP § 7-208(g).

## Tax Credits

**Historic Preservation:** §§ 136-1 through 136-8.2, TP § 9-204.

**Conservation Land:** §§ 136-25 through 136-27 TP § 9-220.

**Homeowners' Supplement:** Combined gross income of \$50,000 or less. §§ 136-33 through 136-36, TP § 9-215.

**Economic Development:** For new or expanding businesses that create new jobs and make large investments. §§ 136-37 through 136-41, TP § 9-306.

**Economic Development in Commerce Zone:** Commerce zones must be in a priority funding area. For new or expanded premises. §§ 136-50 through 136-52, TP § 9-306(h).

**Members of Volunteer Fire and Rescue Companies:** §§ 136-55 through 136-57, TP § 9-306(f).

**Disabled Law Enforcement Officers and Rescue Workers or Surviving Spouse or Cohabitant:** §§ 136-58 through 136-60, TP § 9-210.

## **Exemptions**

**Manufacturing Equipment:** §§ 136-9 and 136-10, TP § 7-108 and 7-225.

**Manufacturing Business:** County may exempt plant and equipment of manufacturing business for up to 10 years. State law. Public local laws § 11-101.

# Caroline County

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## Taxes

**Transfer Tax:** Code county. All State exemptions apply. The first \$25,000 of the consideration payable for the principal residence of the grantee is also exempt. If all the grantees are first-time homebuyers, the first \$75,000 of the consideration payable is exempt. Revenue goes to the Capital Improvement Fund, which is used for debt service, program open space, pay-as-you-go capital costs, and emergency maintenance or repair costs. In a financial emergency, the fund may be used for other purposes. §§ 166-1 through 166-10.

**Recordation Tax:** §§ 166-26 through 166-32.

**Mobile Home Tax:** Tax of \$15 per month per renter, collected by the park owner or operator. §§ 166-21 through 166-25.

**Hotel Rental Tax:** Unpaid tax is a lien against the property. Revenue in a municipality goes to the municipality. The rest goes to the county to promote tourism. §§ 166-62 and 166-63.

**Development Impact Fee:** There are many exemptions, including projects that do not add dwelling units or floor area, government projects, housing for older people, and certain farm development. Fees are lower for development in a growth area or inside a municipality. Fee revenue must be spent in certain geographic areas. Credits may be awarded for conveyance of land or other facilities. The fee appears to only apply to residential development at this time. §§ 167-1 through 167-16, LG § 20-701.

## Miscellaneous

**Municipal Tax Differential:** Procedures for establishing. §§ 166-48 through 166-49.

**Interest Rate on Overdue Property Taxes:** 1% per month § 166-51.

**Tax Sales:** Tax sale begins after April 1 for taxes due that fiscal year. §§ 62-7 through 62-10.

## **Tax Credits**

**Manufacturers:** For increased assessable value due to expansion or new construction. Must hire 15 additional employees. §§ 166-11 through 166-20.

**Habitat for Humanity:** For properties being improved and transferred to new owners. §§ 166-52 through 166-57, TP § 9-307(e).

**Senior Homeowners' Property Tax Credit:** Applicants must be at least 70 and have lived in the county for at least 15 years. If the applicant also qualifies for the homeowners' credit, the credit is larger and is also larger for lower-income applicants. If the applicant does not qualify for the homeowners' credit, the credit is smaller, but older applicants qualify for a larger credit. §§ 166-72 through 166-75.

## **Exemptions**

**Personal Property Exemption:** All personal property is exempt except for operating personal property of a public utility and machinery and equipment that is used to generate electricity for sale, which are taxed at 50% of its value. §§ 166-64 through 166-66, TP § 7-510 and 7-237.

**Community Civic League:** § 166-50.

# Carroll County

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## Taxes

**Mobile Home Tax:** Authority is State law. Public local laws §§ 9-102 and 9-103. Mobile home park owners must pay a monthly tax of \$10 for each occupied space. § 33.23.

**Controlled Dangerous Substances:** A sales and use tax of 50% of the estimated street value of controlled dangerous substances. The tax is due in advance of any use or within 10 days of the sale. A person who sells or uses a controlled dangerous substance must file a detailed report with the tax collector. The State's Attorney must estimate the street value. § 33.20.

**Development Impact Fees:** Enacted under the county's general regulatory authority. Applies to new residential units. Credits for impact fees paid to municipalities. Credits for conveyance of land or project by a developer. Fees are used for capital projects to expand public facilities. Fee revenue must be spent in fee district where it was raised. Waivers may be granted for nonprofits, workforce housing, and affordable housing. §§ 33.55 through 33.69, LG § 20-702.

## Miscellaneous

**Authority to Repeal Manufacturers' Exemption:** State law. Public local laws § 9-101.

**Municipal Tax Rebates:** Payments to municipal corporations for performing services in lieu of similar county services. Payments need not be uniform among municipalities or from year to year. § 33.05.

**Clean Energy Loan Program:** For commercial property owners. §§ 33-75 through 33.99, LG §§ 1-1101 through 1-1110.

## Tax Credits

**Stormwater Management:** A 100% tax credit for stormwater management parcels owned by a residential homeowners' association. § 33.35.

**Conservation Land:** § 33.37, TP § 9-220.

**Disabled Law Enforcement Officers, Correctional Officers, or Rescue Workers or Surviving Spouses of Fallen Law Enforcement Officers, Correctional Officers, or Rescue Workers:** § 33.38, TP § 9-210.

**Homeowners' Supplement:** For individuals 65 or older with a combined income of \$50,000 or less and net worth of \$500,000 or less. § 33.39, TP § 9-215.

**Gateway Renovation:** For improvements to business, commercial, or industrial properties on Maryland Route 140 near the Baltimore County line. § 33.40.

**Green Building:** For business, commercial, or industrial properties. § 33.41.

**Job Creation:** For businesses that build new or expanded premises and hire new employees and are located in a priority funding area. § 33-42, TP § 9-230.

## **Exemptions**

**Research and Development:** A 100% exemption for machinery, equipment, materials, and supplies. § 33.36.

# Cecil County

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## Taxes

**Transfer Tax:** Authority, Chapter 626 of 1959, § 202-1. Referred to as a “deed transfer fee.” Rate is 0.5% of consideration or \$25 if no consideration. Exemption for first-time home buyers. There are no other exemptions from the tax other than those mandated by Tax-Property Title 13, Subtitle 4. The exemptions under Tax-Property § 13-207 do not apply. This section is State law and provides the county authority to impose the transfer tax, although the county has also amended it.

**Mobile Home Park Tax:** \$20 a month. Exemption for elderly and disabled of \$36 a year. § 244-6.

**Admissions and Amusement Tax:** Exemption for farms providing school tours. §§ 337-1 and 337-2.

**Hotel Rental Tax:** Imposed in “population centers.” §§ 337-34 through 337-36.

## Special Taxing Districts

Crystal Beach Manor, Octoraro Lakes, Winding Brook, and road construction special taxing districts. These sections are State law. §§ 110-1 through 110-22.

## Miscellaneous

**Tax Sales:** Properties are advertised if taxes unpaid on March 1. Tax sale occurs on the first Monday in June. § 45-1.

**Clean Energy Loan Program:** For commercial properties. § 45-3, LG §§ 1-1101 through 1-1110.

**Property Tax Deferral for Elderly and Disabled:** Combined income may not exceed \$60,000 a year and must be at least 65 years old or permanently and totally disabled. Zero interest rate on deferred taxes. §§ 337- 19 through 337-31.



**Tax Credits**

**Agricultural Land:** If in an agricultural district, credit is 50%. If in an agricultural district and permanently conveyed to Maryland Agricultural Land Preservation Foundation, credit is 75%. §§ 337-3 through 337-5, TP § 9-206.

**Historic Property:** Up to 10% of expenses for restoration and preservation of a structure. §§ 337-6 through 337-10, TP § 9-204.1.

**Brownfields:** §§ 337-11 through 337-16, TP § 9-229.

**Surviving Spouses of Law Enforcement Officers:** §§ 337-17 and 337-18, TP § 9-210.

**Habitat for Humanity:** For properties being transferred to new owners. §§ 337-32 and 337-33, TP § 9-252.

**Senior Citizens and Veterans:** Home value may not exceed \$400,000 and income may not exceed \$84,000. § 337-46, TP § 9-258.

# Charles County

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## Taxes

**Recordation Tax:** § 281-1 There is a recordation tax credit for new or expanding business. § 281-28, TP § 12-115.

**Transfer Tax:** Code county. All State exemptions apply. General fund revenue. §§ 281-29 through 281-37.

**Income Tax:** § 281-2.

**Admissions and Amusement:** §§ 281-5 through 281-8.

**Fire, Rescue, and Emergency Medical Services Tax:** Applies to all real and personal property. Revenue is dedicated to volunteer fire departments, rescue squads, mobile intensive care units, and dive rescue units. There is a statutory formula. This section is State law. § 54-1.1.

**School Construction Excise Tax:** Imposed on new residential development. §§ 249-1 through 249-8, LG § 20-804.

**Hotel Rental Tax:** §§ 281-10 through 281-16.

**Mobile Home Tax:** Reduced rate for elderly and disabled renters. § 130-1.

## Miscellaneous

**Clean Energy Loan Program:** For commercial property owners. §§ 158-1 through 158-3, LG §§ 1-1101 through 1-1110.

**Interest:** § 281-9.

**Homestead Percentage:** § 281-17.

**Partial Year Taxes:** §§ 281-18 through 281-21.

## **Tax Credits**

**Surviving Spouse of Fallen Rescue Worker:** For surviving spouses of fallen law enforcement, corrections, fire, rescue, or emergency medical services workers. § 281-22, TP § 9-210.

**Homeowners' Supplement:** There is an enhanced supplement for homeowners at least 70, who have lived in the home for at least 20 years, have a combined net worth of \$200,000 or less and a combined income of \$50,000 or less. § 281-23, TP § 9-215.

**Historic Properties:** For 10% of expenses of restoration and preservation of historic property. § 281-24, TP § 9-204.1.

**Habitat for Humanity:** For properties being transferred to new ownership. § 281-25, TP § 9-252.

**Conservation Easement:** For donated perpetual conservation easement. § 281-26, TP § 9-310.

**New and Expanding Businesses:** Must create 10 or more full time jobs in an industry targeted for expansion. § 281-27, TP § 9-310.

**Commercial Real Property Improvement and Rehabilitation:** Credit is for an increase in assessed value due to an improvement or rehabilitation and lasts for five years. Expires in 2027. § 281-28, TP § 9-310.

## **Exemptions**

**Manufacturing Equipment Used in Printing:** §§ 281-3 and 281-4.

# Dorchester County

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## Taxes

**Recordation Tax:** §§ 144-7 through 144-8.

**Transfer Tax:** Authority, Chapter 715 of 1994, § 10-8.2. Rate may not exceed 1%. Tax applies to a transfer of land subject to the agricultural land transfer tax. All State exemptions apply. Exemption for first \$30,000 of consideration for principal residence of the grantee. Revenue is dedicated to the county courthouse building and school buildings. See also § 144-20.

**Hotel Rental Tax:** General fund revenue. §§ 144-16 through 144-19.

**Building Excise Tax:** County authorized to impose the tax by ordinance. Council may set the rates subject to caps of \$5,000 per residential unit and \$1 per square foot for nonresidential development, or \$5,000 per lot or parcel. Revenue must go to capital costs of additional or expanded public works and facilities required to accommodate new development. The tax is suspended through June 30, 2023. §§ 144-28 through 144-36.1, LG § 20-805.

**Mobile Home Tax:** §§ 144-1 through 144-6.

## Special Taxing Districts

**Shore Erosion Control Districts:** §§ 133-1 through 133-8.

## Miscellaneous

**Tax Sales:** All amounts owed to the county, including water and sewer bills, may be collected through tax sale. § 107-1.

**Estimated Personal Property Tax:** Billing based on last year's assessment if the State Department of Assessment and Taxation does not provide new assessment in a timely manner. §§ 144-9 and 144-10.

**Tax Penalty:** 1% penalty annually for nonpayment of any tax. § 144-11.

**Interest:** On real and personal property taxes is 1% per month. §§ 144-12 and 144-13.

**Homestead Percentage:** § 144-44.

**Tax Abatement for Rehabilitated Structures:** For owners of rehabilitated property who invest a minimum of 50% of the most recent pre-rehabilitation assessed value of the property. The abatement is a declining percentage of the increased assessment. § 144-58.

## **Tax Credits**

**Brownfields:** §§ 144-21 through 144-27, TP § 9-229.

**Shore Erosion Control Structures:** Credit equal to 30% of the cost of the structure. Total cost of the credit to the county is limited to \$150,000. §§ 144-37 through 144-43, TP § 9-217.

**Senior Citizens:** For individuals at least 70 years old who qualify for the State homeowners' property tax credit. The credit is 5% of county property tax. Credit is applied automatically; no application is required. §§ 144-49 and 144-50, TP § 9-245.

**Gun Clubs:** For Cedar Meadows Rod and Gun Club and Cambridge Skeet and Gun Club. §§ 144-51 and 144-52, TP 9-311 (b).

**Habitat for Humanity:** For properties being transferred to new ownership. §§ 144-53 and 144-54, TP 9-311(d).

**Residential Sprinkler System:** For principal residences with complete automatic fire protection sprinkler systems. The credit is the lesser of the cost of the system or \$5,000. Must be constructed between July 1, 2019, and June 30, 2022. §§ 144-55 through 144-57, TP § 9-232.

## **Exemptions**

**Commercial Inventory:** §§ 144-14 and 144-15.

**Business Personal Property:** Except for the operating personal property of a public utility and personal property used to generate electricity for sale, business personal property is exempt from taxation in Dorchester County. §§ 144-45 and 144-46, TP §7-513.

**Utility Property:** Operating personal property of a public utility and machinery or equipment used to generate electricity or steam for sale or hot or chilled water for sale that is used to heat or cool a building is subject to tax on 50% of its value. § 144-47 and 144-48, TP § 7-237.

# Frederick County

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## Taxes

**Recordation Tax:** A majority of revenue goes to the General Fund. The rest goes to agricultural land preservation, open space acquisition, school construction, and affordable housing. § 1-8-51.

**Development Impact Fee:** Procedures and requirements §§ 1-22-1 through 1-22-8. Fees must be deposited in dedicated accounts. Exemptions for affordable housing and farm transfers within families. Public school development impact fee applies to new residential development. §§ 1-22-11 through 1-22-15. Library impact fee applies to new residential development. §§ 1-22-21 through 1-22-23, LG § 20-703.

**Hotel Rental Tax:** Revenue goes to tourism and a visitor center. §§ 1-8-161 through 1-8-168.

**Building Excise Tax:** Authority § 2-7-131. County may not also impose an impact fee. May not impose in municipality that also imposes a tax. Farm property exempt. Revenue is dedicated to road improvements. The tax rate is currently set at zero. §§ 1-8-71 through 1-8-81.

**Fire, Rescue, and Ambulance Services Tax:** State law authorizes the county to impose a tax on property to provide specified amounts for fire, rescue, and ambulance services. The tax rate is currently set at zero. § 2-8-3 See also special taxing districts below.

**Mobile Home Tax:** Rate is currently set at zero. §§ 1-17-71 through 1-17-77.

**Admissions and Amusement:** Rate is currently set at zero. §§ 1-8-46 through 1-8-47.

## Special Taxing Districts

**Fire, Rescue, and Ambulance Services:** The county is authorized to establish special districts to fund these services if minimum response criteria are not met, a fire and rescue company requests the district, or 50% of property owners request the district. § 2-8-6. There is an urban fire and rescue district and a suburban fire and rescue district. The tax rate in both districts is currently set at zero. §§ 1-8-151 and 1-8-152.

**Roads Districts:** Authority to impose benefit assessments on adjacent property owners to construct or improve roads. §§ 2-11-73 through 2-11-78.

**Community Development Authorities:** Broad authority to create special taxing districts for infrastructure improvements. Modeled generally on Title 21, Subtitle 5 of the Local Government Article. § 2-7-125.

**Electric Lighting Districts:** Braddock Heights, New Addition, and Libertytown §§ 1-8-101 through 1-8-104.

## Miscellaneous

**Tax Sales:** Properties may be sold for unpaid water and sewer assessments. List of delinquent properties created on March 1. Sale occurs on the second Monday in May. §§ 2-7-101 through 2-7-104 Sale of personal property. § 2-7-116 Redemption interest – 8% § 1-8-6 Proof of expenses incurred required for reimbursement. § 1-8-7.

**Elderly and Disabled Tax Deferral:** Combined gross income must be \$55,000 or below. § 1-8-421, TP § 10-204.

**Clean Energy Loan Program:** For commercial properties. §§ 1-8-451 through 1-8-456, LG §§ 1-1101 through 1-1110.

**Discounts for Early Payments:** § 1-8-4.

**Homestead Percentage:** § 1-8-8.

## Tax Credits

**Offset of Income Tax Rate in Excess of 2.6%:** Credit for fiscal 2022 for owner-occupied properties with an assessment of \$328,512 or less. Credit is \$175. § 1-8-61, TP § 9-221.

**Agricultural Preservation Land:** A 100% credit for land subject to permanent easement or within an agricultural preservation district. § 1-8-62, TP 9-312.

**Agricultural Buildings:** Must be used for a farm activity. § 1-8-63, TP § 9-312.

**Surviving Spouse of Fallen Emergency Worker:** For surviving spouse of a law enforcement officer or fire, rescue, or emergency medical service worker. 100% credit. § 1-8-64, TP § 9-210.

**Homeowners' Supplement:** § 1-8-65, TP § 9-215.

**Senior Citizens Homeowners' Supplement:** For individuals at least 65 and with combined income of \$80,000 or less. Enhanced credit for combined income of \$30,000 or less. § 1-8-66, TP §§ 9-215 and 9-245.

**Elderly and Veterans:** For (1) veterans and surviving spouses and (2) individuals at least 65 who have lived in the same dwelling for at least 40 years and have a combined income of \$80,000 or less. § 1-8-67, TP § 9-258.

**Disabled Veterans:** For disabled veterans and surviving spouses. Based on the veteran's percentage of disability. Income may not exceed \$100,000. § 1-8-68, TP § 9-265.

**Brownfields:** § 1-8-201, TP § 9-229.

**Rehabilitated Property:** For commercial structures in the Golden Mile Tax Credit District (Route 40), vacant commercial structures, and commercial structures in a revitalization area. §§ 1-8-301 through 1-8-304, TP § 9-236.

**Downtown Frederick Arts and Entertainment District:** For properties renovated for use by a qualifying residing artist or an arts and entertainment enterprise. Expires June 30, 2023. § 1-8-411, TP § 9-240.

**New Jobs:** A business must employ at least 25 people in new permanent full-time positions in new or expanded premises in a priority funding area. Businesses that build larger premises and employ more people are eligible for an enhanced credit. §§ 1-8-431 through 1-8-436, TP § 9-230.

**Commercial or Industrial:** For businesses that make a substantial investment in properties used for manufacturing, fabricating, or assembling purposes. §§ 1-8-441 through TP § 9-205.

**Small Business:** Businesses must obtain new or expanded premises and employ at least five people in new permanent full-time positions. Expires December 31, 2026. §§ 1-8-461 through 1-8-466, TP § 9-312(i).





# Garrett County

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## Taxes

**Natural Gas:** Tax is 5.5% of the wholesale price. Most revenue goes to the county, with a small portion going to municipalities based on population. These provisions are State law. §§ 51.01 through 51.07; 51.99.

**Property Tax for Landfill:** County authorized to impose ad valorem property tax for maintaining a landfill. Revenue must go into a special account for that purpose. State law. § 37.001.

**Property Tax for Volunteer Fire Departments:** County authorized to impose a property tax to support volunteer fire departments. State law. §§ 32.01 and 32.03.

**Property Tax for Garrett County Memorial Hospital:** County authorized to impose a property tax for the operation and maintenance of the hospital. State law. § 36.06.

**Transfer Tax:** Authority, Chapter 544 of 1992, § 37.002. Rate may not exceed 1%. All State exemptions apply. Tax does not apply to property subject to the agricultural land transfer tax or to the first \$50,000 of consideration. See also §§ 37.115 through 37.118.

**Mobile Home Tax:** §§ 37.020 through 37.024.

**Admissions and Amusement Tax:** Exemption for nonprofit community associations. §§ 37.040 through 37.042.

**Recordation Tax:** §§ 37.055 and 37.056.

**Hotel Rental Tax:** Revenue is generally dedicated to tourism. §§ 37.070 through 37.074.

## Miscellaneous

**Interest:** Interest rate on overdue taxes is 1.5% per month. § 31.24, TP § 14-603.

**Homestead Percentage:** §§ 37.100 and 37.101.

**Tax Credits**

**New and Expanding Businesses:** Business must make a capital improvement of at least \$100,000. §§ 113.01 through 113.07.

**Agricultural Land:** For properties in an agricultural preservation district or in a district and subject to an easement. Credit is 100%. §§ 152.01 through 152.06, TP § 9-313.

**Homeowners' Supplement:** Credit is 25% of the State credit. Recipients must be at least 65 and have lived in the county for at least 10 years. § 37.120, TP § 9-215.

# Harford County

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## Taxes

**Transfer Tax:** Authority, Chapter 423 of 1992, §§ 123-50 through 123-53. Rate is fixed at 1%. All State exemptions apply. Properties subject to agricultural land transfer tax also exempt. Exemption for first \$30,000 of consideration for principal residence of the grantee. The county council may, by law, provide for exemptions or credits against the transfer tax. Collected by the treasurer. Revenue is distributed 50% to agricultural land preservation and 50% to school site acquisition or school construction.

**Public School Development Impact Fee:** Applies to new residential development. Exemptions for elderly housing, continuing care retirement communities, and transient housing. Credit for conveyance of land for a school or a school facility. County pays the fee for affordable housing. §§ 123-55 through 123-62, LG § 20-705.

**Hotel Rental Tax:** 50% of revenue collected within a municipality goes to the municipality; the rest goes to tourism. §§ 123-63 through 123-68.

## Miscellaneous

**Municipal Tax Setoffs:** Procedures. § 123-16 Amounts. § 123-46.

**Interest and Penalty:** Interest is 1 ½ % per month. Penalty is 6%. § 123-27.

**Advance Payments of Property Tax:** § 123-28.1, TP § 10-205.

**Payment of Estimated Personal Property Tax:** §§ 123-28.2 and 123-37.1, TP 10-210.

**Redemption Interest:** § 123-33.

**Deferred Tax Payment Plan for Hardship:** Property owner may enter into a payment plan and be deferred from tax sale if facing hardship, as determined by the Treasurer. All taxes must be paid by December 1 of the year in which the tax sale would have occurred. Interest and costs must be paid. Does not apply to State taxes. § 123-34.

**Semiannual Payments:** Option for first-time homebuyers. § 123-34.1.

**Tax Sales:** Advertisement date, April 1. Tax sale date, third Monday in June. § 123-35  
Sale of personal property. § 123-38.

**Tax Lien Certificate:** Showing all outstanding liens against a property (not a tax sale certificate). § 123-41.

**Development Districts:** Tax Increment Financing districts. §§ 123-47 through 123-49.

**Clean Energy Loan Program:** For commercial properties. §§ 123-69 through 123-71, LG §§ 1-1101 through 1-1110.

## **Tax Credits**

**Research and Development:** Personal property credit against tax imposed on machinery and equipment used in research and development and exempt from State sales tax. § 123-54.

**Business Tax Credits:** There are several tax credits for specific listed businesses that are creating new jobs or expanding facilities. The credits are for varying amounts and durations. § 123-42, TP §§ 9-205, 9-301 and 9-314(a)(1)(xii) and (6).

**Community Associations:** For land used for public parks. § 123-43, TP § 9-314.

**Agricultural Land:** For land subject to an easement. § 123-43, TP § 9-314.

**Day Care Providers:** §§ 123-43.1 and 123-43.2, TP §§ 9-213 and 9-214.

**Agricultural Preservation:** §§ 123-43.3, 123-43.3.1, TP § 9-314.

**Rural Legacy:** § 123.43.3.2, TP 9-314.

**Surviving Spouse of Veteran:** § 123.43.4, TP § 9-258.

**Surviving Spouse of Fallen Rescue Worker:** For spouses of fire, rescue, law enforcement or emergency medical service workers. § 123.43.4.1, TP § 9-210.

**Property Near a Refuse Disposal System:** For owner occupied property within 1,000 feet of a refuse disposal system. § 123.43.5, TP § 9-314.

**Historic Landmarks:** §§ 123-43.5.1, 123-43.5.2, TP § 9-204.1.

**Enterprise Zone:** § 123-43.8, TP 9-103.

**Habitat for Humanity:** For properties being transferred to new ownership. § 123-43.9, TP § 9-252.

**Property Near a Waste to Energy Facility:** § 123-43.10, TP § 9-314.

**Energy Conservation Devices:** For solar and geothermal devices. Total amount of credits limited to \$500,000 a year. § 123-44, TP 9-203.

**Conservation Land:** § 123-46.2, TP 9-220.

**Harford Land Trust:** § 123-46.3, TP 9-220.

**Homeowners' Supplement:** § 123-46.4, TP 9-215.

**Elderly Individuals and Veterans:** For individuals at least 65 years old who have lived in the dwelling for at least 40 years and retired veterans at least 65 and their surviving spouses. § 123-46.5, TP 9-258.

## **Exemptions**

**Airports:** §§ 123-43.6 and 123-43.7, TP § 8-302.



# Howard County

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## Taxes

**Transfer Tax:** Authority, Chapter 515 of 1965 and Chapter 256 of 1968, §§ 20.300 through 20.305. There are exemptions for transfers to government entities, nonprofit hospitals, or religious or charitable organizations, and moderate-income housing units. Teachers, law enforcement officers, and fire and rescue services members who are first-time homebuyers are exempt; subsequent purchases by these individuals receive a discount. 1% of the tax rate is fixed by State law and dedicated to certain purposes. The county is authorized to raise the rate but the increased revenue must be dedicated to certain purposes.

**Bag Fee:** Fee is 5 cents per disposable bag. Revenue is dedicated to certain environmental purposes. §§ 20.1300 through 20.1307, LG § 13-1001.

**Refuse Collection Charge:** For residential property. Included on the property tax bill and collected in the same manner as property taxes. There is a discount of 60% of the charge for people whose income is 250% or less of poverty level. §§ 20.900 through 20.904.

**Building Excise Tax:** Authority, Chapter 285 of 1992, § 20.500. Tax is imposed on new construction or addition construction. Revenue must be deposited in a special account and spent on new or expanded public roads. §§ 20.500.

**Room Rental Tax:** Authority, Chapter 286 of 1992, § 20.400. Rate capped at 7%. County authorized to provide exemptions. Tax applies to room rental fees charged by online brokers. See also §§ 20.401 through 20.407.

**School Facilities Surcharge:** Authority, Chapter 420 of 2004, § 20.142. Imposed on residential new construction. Does not apply to affordable senior housing and properties worth less than \$200,000 (amount adjusted annually by the Consumer Price Index). Revenue dedicated to school construction. § 20.143.

**Fire Tax:** For the purpose of funding the operating and capital costs of fire and emergency services. § 17.102.

## Special Taxing Districts

**Streetlight Districts:** For installation of streetlights and operations for two years. §§ 20.1000 and 20.1001, LG § 21-801.



## Miscellaneous

**Clean Energy Loan Program:** For commercial properties. §§ 20.1200 through 20.1205, LG §§ 1-1101 through 1-1110.

**Water and Sewer Charges:** Are collected and enforced in the same manner as real property taxes. There is an ad valorem charge on property, among other charges. §§ 20.601 and 20.602.

**Personal Property Tax Due Dates, Discount, Interest, and Penalties:** §§ 20.201 through 20.203.

**Real Property Tax Discount, Interest, and Penalties:** §§ 20.100 through 20.102.

**Payment of Estimated Personal Property Tax:** § 20.204, TP § 10-210.

**Advance Payment of Real Property Tax:** § 20.103.

**Homestead Percentage:** § 20.110.

**Property Tax Deferral for Elderly and Disabled:** Combined income must be \$75,000 or less and homeowner must be at least 65 or permanently and totally disabled. No interest on deferral. § 20.125.

**Tax Sales:** Sale must be held no earlier than the first Wednesday in April and no later than the last Wednesday of August each year. Redemption interest is 18%. §§ 20.140 and 20.141.

## Tax Credits

**Research and Development:** Personal property credit. § 20.205, TP § 7-237.

**Historic District:** Personal property credit. § 20.207, TP § 7-521 (authority expires June 30, 2022).

**Data Centers:** Personal property credit. § 20.208, TP § 7-248.

**Historic Structures:** Credit of 25% of expenses for restoration and preservation. § 20.112, TP § 9-204 Credit for increased assessment after restoration. § 20.113, TP § 9-204.1.

**Units Unsold, Unoccupied, or Unrented:** For single dwelling units which are unsold, unoccupied, or unrented after completion of construction or rehabilitation. § 20.114, TP § 9-207.

**Day Care Facilities:** § 20.115, TP §§ 9-213, 9-214.

**Religious Organizations:** For properties leased, occupied, or used by a religious organization. § 20.116, TP § 9-222.

**Brownfields:** § 20.117, TP § 9-229.

**Sprinkler Systems in Historic Buildings:** § 20.118, TP § 9-232.

**Green Building Energy Conservation Devices:** § 20.119, TP § 9-203.

**Disabled Law Enforcement Officer or Rescue Worker or Surviving Spouse:** § 20.119A, TP § 9-210.

**Residential Property Damaged by Flood:** For costs to repair property. § 20.119B, TP § 9-211.

**Community Associations:** For nonprofits. § 20.121, TP § 9-315.

**Agricultural Land:** § 20.122, TP §§ 9-206 and 9-315.

**Commercial or Industrial Business:** For businesses that build new construction or improvements and hire new employees. § 20.123, TP § 9-315.

**Therapeutic Riding Facility:** For facilities that predominantly serve people with disabilities. § 20.124, TP § 9-315.

**Homeowners' Supplement:** § 20.126, TP § 9-215.

**Amateur Sport Athletic Fields:** For nonprofits. § 20.127, TP § 9-235.

**Conservation Land:** § 20.128, TP § 9-220.

**Energy Conservation Devices:** For solar or geothermal devices on residential property. Total amount of credits limited to \$500,000 annually. § 20.128A, TP § 9-203.

**Senior Citizens:** For individuals at least 65 whose household has a combined income less than 500% of poverty level and has a net worth not exceeding \$500,000. Credit is 25% of taxes due, after all other credits. § 20.129, TP § 9-245.

**Property Owned Jointly with Housing Commission:** For taxes attributable to commission's ownership interest. § 20.129A, TP § 9-315.

**High Performance Buildings:** § 20.129B, TP § 9-242.

**Accessibility Features:** For principal residences. Total credits limited to \$100,000 annually. § 20.129C, TP § 9-250.

**Commercial or Industrial Property on Route 1:** For renovations and rehabilitations. Total credits limited to \$250,000 annually. § 20.129D, TP § 9-315.

**Elderly Individuals and Veterans:** May not also receive the credit for senior citizens. § 20.129E, TP § 9-258.

**Public Safety Officers:** § 20.129F, TP § 9-260.

**911 Operators:** § 20.129G, TP § 9-262.

# Kent County

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## Taxes

**Transfer Tax:** Code county. All State exemptions apply. Does not apply to conveyances to the government, a nonprofit hospital or a religious or charitable organization. §§ 152-12 through 152-15. Note that Chapter 326 of 1988, which authorized code counties to impose a transfer tax, included uncodified language stating that Kent County had preexisting authority to impose a transfer tax. The uncodified language stated that Kent County could continue to impose the tax at the same rate and subject to the same exemptions that apply to other code counties.

**Hotel Rental Tax:** Revenue dedicated to economic development and tourism. §§ 152-16 through 152-18.

**Recordation Tax:** §§ 152-19 and 152-20.

## Miscellaneous

**Tax Sales:** Procedures. Water and wastewater charges included in tax sale. §§ 152-4 and 152-5.

**Clean Energy Loan Program:** For commercial properties. §§ 152-30 through 152-32, LG §§ 1-1101 through 1-1110.

## Tax Credits

**Homeowners' Supplement:** Must be at least 60 years old and have a combined income of \$35,000 or less. Credits covers the rest of the tax on dwelling after the State credit. § 152-6, TP § 9-215.

**Businesses That Create New Jobs:** For businesses that construct or expand premises and hire new employees. For real and personal property. §§ 152-21 through 152-29.

**Commerce Zones:** For businesses in specified zones that obtain new, improved, or expanded premises. §§ 152-33 through 152-35.

**Residential Sprinklers:** For principal residences where a fire prevention sprinkler system is installed. Expires December 31, 2023. §§ 152-38 through 152-40, TP § 9-232.

## **Exemptions**

**Business Personal Property:** Except for the operating personal property of a public utility and personal property used to generate electricity for sale, business personal property is exempt from taxation in Kent County. § 152-36.

**Utility Property:** Operating personal property of a public utility and machinery or equipment used to generate electricity or steam for sale or hot or chilled water for sale that is used to heat or cool a building is subject to tax on 50% of its value. § 152-37.

# Montgomery County

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## Property Tax Cap

Increase in the weighted real property tax rate may not exceed the weighted rate in the previous year. The limit may be overridden by a vote of all councilmembers. The weighted tax rate is calculated by determining the sum of each property tax rate adjusted by the proportion of assessable base that is charged that tax rate. Charter, § 305.

## Taxes

**General Taxing Authority:** County may tax “to the same extent as the state” with certain important limitations. Includes the authority to impose development impact taxes. Also includes the authority to tax “receipts from operations of motor vehicles having a permit from the Public Service Commission” to transport passengers (taxis). County may also grant exemptions from any tax. This authority was enacted by the State. The law specifically does not authorize taxes on the following, among other things: alcoholic beverages; intangible personal property; motor fuel; vehicle registration; vehicle titles; horseracing and pari-mutuel betting; income; recording of corporate papers; savings institutions; insurance premiums; inheritances; estates; tobacco; advertising; gross receipts; or “any other tax prohibited to a political subdivision of this state by any applicable statewide law.” A tax imposed under this authority must be advertised for three weeks, and a public hearing must be held. A provision also requires that 50% of the hotel rental tax revenue from the part of Takoma Park that used to be in Prince George’s County must go to the municipality. Originally enacted as Chapter 808 of 1963. § 52-17.

**Transfer Tax:** Authority, Chapter 180 of 1961, § 52-30. The scope of the tax is slightly different than in other counties. The tax applies, for example, to an “initial transfer of stock or other evidence of ownership in a cooperative housing corporation or similar entity.” There are different rates that are authorized for different types of transfers. Maximum authorized rates range from 1% to 6%. Transfers of agricultural land may be taxed up to 6%. Transfers to nonprofits and governmental entities are exempt. The county is authorized to create additional exemptions. See implementing provisions, §§ 52-29 and 52-31 through 52-38. The county has created tiered rates for residential property based on the amount of consideration, with progressively higher rates applying to more valuable property. Residential rates range from 0.25% to 1%. For improved nonresidential property and unimproved property, the rate is a flat 1%. Agricultural land is subject to different rates depending on how long the property has been in agricultural use, with progressively higher rates applying to properties that have been in agricultural use longer. Tax is imposed at 6% on property that is rezoned for a more intensive use at the request of a person with a financial interest in the property. Tax is imposed at 4% on transfers of condominium units

that were previously offered for rent. Tax is imposed at 4% on cooperative housing corporations or similar entities that are being converted from rental housing. The revenue from these 4% rates is dedicated to affordable rental housing. Transfers by will or descent are exempt. Exemptions for transfers to relatives or domestic partners. The county may provide for deferred payment of county transfer tax on single-family owner-occupied property. If the consideration is understated, the county may get an appraisal of the property.

**Fire Tax:** The county may impose a tax on real and personal property to fund fire and rescue services. Tax is imposed in the fire district, which comprises the entire county. § 21-23.

**Mass Transit Tax:** Special property tax dedicated to mass transit. Revenue may be dedicated to the Washington Metropolitan Area Transit Authority (WMATA) or other transit purposes. The tax must be at least \$0.03 per \$100 of assessed value. § 52-13.

**Fuel-energy Tax:** Enacted under the county's general taxing authority. Tax imposed on "every person transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas" in the county. Rates may be different for different consumers. The rate for each form of fuel or energy should impose an equal or substantially equal tax on the equivalent energy content of each form of fuel or energy. Exemption for renewable source located in the county and used on site or subject to a net energy metering agreement. Tax is paid by the person who transmits, distributes, manufactures, produces, or supplies the fuel or energy. § 52-14.

**Telephone Tax:** Enacted under the county's general taxing authority. Tax imposed on owners of telephone lines or sellers of telephone communications in the county who provide service to customers with a billing address or fixed service address in the county for (1) each residence, business, or PBX local exchange access line or trunk line; (2) each wireless telephone line; and (3) each Centrex local exchange access line or trunk line. Tax is imposed on a per line basis. § 52-15.

**Hotel Rental Tax:** Enacted under the county's general taxing authority. Tax applies to online platforms that sell overnight accommodations. Does not apply to elderly housing. Does not apply to nonprofits not primarily engaged in providing overnight accommodations. At least 7% of the revenue is dedicated to tourism. § 52-16.

**Admissions and Amusement Tax:** There are exemptions for gross receipts used exclusively for community or civic improvement by a not-for-profit community association, admission to a concert or theatrical event of a not-for-profit organization organized to present or offer any of the performing arts, an arts and entertainment enterprise or qualifying residing artist in an arts and entertainment district, public golf courses, and agricultural tourism. Revenue from the first 7% of the tax rate goes to the General Fund.

Revenue from the tax rate above 7% goes to promote the arts and humanities in the county. § 52-16A.

**Recordation Tax:** \$2.08 of the rate goes to the General Fund. \$2.37 of the rate goes to school construction. For transactions over \$500,000, the amount of consideration over \$500,000 is subject to an additional tax of \$2.30, which is split equally between capital projects and rent assistance for low- and moderate-income households. Exemption for first \$100,000 of consideration for the principal residence of the grantee. § 52-16B.

**Development Impact Tax for Transportation:** Enacted under the county's general taxing authority. The tax is imposed before a building permit is issued for development. There are red, orange, yellow, and green impact tax districts, and one for White Flint (where there is no tax). The tax does not apply to government, moderately priced dwelling units, affordable housing, a development in which at least 25% of the dwelling units are moderately priced or affordable, enterprise zones, or opportunity zones (except in Rockville). Revenues are generally used in the area where they are collected. Credits are allowed against the tax for transportation improvements that developers build, or for accessible housing units. Tax rates are calculated based on the number of dwelling units for residential property and the gross floor area for nonresidential development as well as the type of development. Rates established by the council by resolution. Revenue may be used for transit or roads. §§ 52-39 through 52-51.

**Development Impact Tax for Public Schools:** Enacted under the county's general taxing authority. Imposed before a building permit is issued for residential development. There are two school impact tax districts. Tax is administered in the same manner as the impact tax for transportation. Tax does not apply to moderately priced dwelling units, affordable housing, a development in which at least 25% of the dwelling units are moderately priced or affordable, enterprise zones, or opportunity zones (except in Rockville). Rates are established by the council by resolution. Credits are allowed against the tax for school improvements or land dedications for school improvements by developers or for accessible housing units. §§ 52-52 through 52-59.

**Tobacco Tax:** Enacted under the county's general taxing authority. Tax imposed on vendors of cigars, cigarette tobacco, pipe tobacco, snuff, or spit tobacco. There are different rates for different types of tobacco. The tax "applies to any tobacco product that is not subject to the State tobacco tax." Tax was enacted in 1998. This tax is preempted by State law. See Tax-General § 12-102(b). The tax also appears not to be authorized under the county's general taxing authority under § 52-17. §§ 52-66 through 52-71 The county government confirms that this tax is not currently collected or enforced although it remains on the books.

**Excise Tax on Electronic Cigarettes:** Enacted under the county's general taxing authority. Tax imposed on an electronic cigarette product, which means a product



containing or delivering nicotine or any other substance intended for human consumption that can be used by a person to simulate smoking through inhalation of vapor or aerosol from the product. The term includes an e-cigarette, e-cigar, e-pipe, e-hookah, or vape pen. Electronic cigarette product includes any component, part, or accessory of an electronic cigarette, whether or not sold separately, that is used during the operation of the electronic cigarette, but does not include any battery or battery charger that is sold separately. Tax must be paid by distributors who supplies a dealer in the county with electronic cigarette products. Dealers are liable for the tax unless they obtain written certification from the distributor that the distributor is paying the tax. The tax rate is 30% of the wholesale price of the electronic cigarette product. §§ 52-72 through 52-76.

**Carryout Bag Tax:** Tax imposed on paper or plastic bags provided by a retail establishment to a customer at the point of sale, pickup, or delivery to carry purchased items. Exemptions for the following bags: pharmacy; newspapers; dry cleaning; trash; pet waste; yard waste; seasonal events; restaurant carryout; and bulk or perishable items. Tax rate is 5 cents per bag. Retailers collect the tax at the time of sale and may keep 1 cent for administrative costs. The tax must be shown separately on the customer's bill. Revenue goes to storm water management fund. §§ 52-77 through 52-83.

**Mobile Home Tax:** Rate capped at \$6 per month per space. § 52-12.

**Transportation Network Services Surcharge:** \$0.25 for each trip originating in the county. Revenue goes to the Transportation Services Improvement Fund to improve transportation for people with disabilities, seniors, and low-income people. § 53-801, PU § 10-406.

## Special Taxing Districts

**Maryland-National Capital Park and Planning Commission:** There are several special taxes that apply in certain districts. The regional district consists of all of Montgomery County except for Barnesville, Brookeville, Gaithersburg, Laytonsville, Poolesville, Rockville, and Washington Grove. A tax is imposed in the regional district to pay operating and administrative expenses of the commission. Land Use Article, § 18-307 The metropolitan district consists of all of Montgomery County except the same municipalities that are not included in the regional district. A tax is imposed in the metropolitan district for parks. Land Use Article, §§ 18-304 and 18-305 The entire county is subject to a park land acquisition tax. Land Use Article, § 18-308.

**Recreation District:** More complete recreation services are provided within the recreation district than in the rest of the county. The district includes the entire county except Gaithersburg, Rockville, and Washington Grove. The cost of recreation facilities within the district is paid by special taxes within the district. §§ 41-1 through 41-6.

**Suburban District:** Certain cities, towns, villages, and special taxing areas are excluded from the district, as are the Bethesda, Silver Spring, and Wheaton urban districts. The county council and county executive are broadly authorized to regulate various activities and provide various public facilities and services. The county is authorized to impose a tax not exceeding \$0.12 for real property and \$0.30 for personal property and utility property. The revenue may be spent on roads. The council is authorized to abolish the district. The district is defunct. §§ 68-1 through 68-7.

**Washington Suburban Transit District:** Consists of Montgomery and Prince George's counties, including municipalities. The district is governed by a seven-member commission, with two members each appointed by the county executives of Montgomery and Prince George's counties and two members appointed by the Governor. The Secretary of Transportation or Secretary's designee services *ex-officio*. The district provides funding for WMATA to provide transit services in Montgomery and Prince George's counties. Montgomery and Prince George's counties must impose a property tax to meet the obligations of the district, or they may use revenue from another tax that they are authorized to impose. The district also serves a transportation planning and coordination function. A separate property tax is not currently imposed within the Montgomery portion of the district. §§ 87-1 through 87-23 These sections are State law.

**Urban Districts:** Urban districts are created in Bethesda, Silver Spring, and Wheaton for streetscape improvements, public amenities, and community activities. A special tax is imposed on real and personal property not exceeding \$0.30. Each district has an advisory committee or a board of directors if an urban district corporation has been formed. An urban district corporation may be formed, which is a commercial district management authority and regulated like a nonstock corporation. It is independent of the county. An urban district corporation may perform broader functions, such as transportation service, security, and marketing. A corporation may be created by resolution of the county council. A corporation may not issue bonds, exercise police power, or eminent domain. The council approves the corporation's budget. §§ 68A-1 through 68A-13.

**Development Districts:** Special taxes, assessments, fees, or charges are imposed within a development district to pay bonds that are used to finance infrastructure improvements within the district. The districts are used for large new developments that have a master plan. Petitions must be filed to create a development district signed by at least 80% of the owners of real property and the owners of at least 80% in value of the real property. Buyers must be notified of the obligation to pay the tax. §§ 14-1 through 14-18.

**Parking Lot Districts:** Bethesda, Silver Spring, and Wheaton. To provide off street parking for the public. Maximum rates of \$1 for business property and \$0.50 for all other property. Taxes are reduced or eliminated for properties that provide parking. No tax is currently imposed in these districts. §§ 60-1 through 60-16.

**Noise Abatement Tax Districts:** Cabin John and Bradley noise abatement districts created to construct noise barriers along Interstate 495 from Bradley Boulevard to the American Legion Bridge. A special tax on real property is imposed to fund the barriers. No tax is currently imposed in these districts. §§ 68B-1 through 68B-4.

**White Flint Special Taxing District:** A special tax is authorized in White Flint to fund transportation infrastructure improvements. The tax is not subject to the county charter cap on property tax revenue. The county may issue bonds backed by the special tax revenue. §§ 68C-1 through 68C-7.

**Battery Park:** Special taxing district in Battery Park subdivision. Special tax not to exceed \$0.15 to fund the Battery Park Community House and grounds, which is operated by the Battery Park Citizens' Association. These sections are State law. § 61-1.

**Drummond:** Tax required to be imposed by the county in the Village of Drummond to fund public infrastructure and services. The district operates like a municipality. The district is run by a Drummond Citizens Committee, which is elected by the public annually. Special taxes may be imposed for roads. These sections are State law. § 65-1 through 65-11.

**Friendship Heights:** Tax required to be imposed by the county in the Village of Friendship Heights to fund public infrastructure and services. The district operates like a municipality. The village may authorize a deferral of property taxes for individuals who are elderly or disabled and meet income requirements. The district is run by a Friendship Heights Village Council, which is elected by the public. Special taxes may be imposed for roads. These sections are State law. §§ 66-1 through 66-12.

**Oakmont:** Tax required to be imposed by the county in the Oakmont subdivision to fund public infrastructure and services. The district operates like a municipality. The district is run by an Oakmont Citizens' Committee, which is elected by property owners. Special taxes may be imposed for roads. These sections are State law. §§ 70-1 through 70-8.

**Silver Spring Business Improvement District:** The district imposes a tax on property owners to fund public services and facilities. There are exemptions to the tax for property exempt from regular property taxes, residential property with fewer than four dwelling units, homeowners' associations, and condominium units or cooperative housing corporation units that existed before the district was created. The district is governed by an elected board of directors. §§ 62-1 through 62-9, EC §§ 12-601 through 12-612.

## **Miscellaneous**

**Renters' Property Tax Relief Supplement:** For residents who qualify to receive a payment under the State property tax relief program for renters under TP § 9-102. The

supplement equals 50% of the State payment to the resident. Applications may be required. § 20-82.

**Working Families' Income Supplement:** For people who qualify for the federal or State earned income credits. The supplement equals the amount of any refund from the State earned income credit. §§ 20-77 through 20-81.

**Property Tax Rebates for Municipalities:** Payments to municipalities for providing services in lieu of similar county services. §§ 30A-1 through 30A-6.

**Disclosure of Property Tax to Buyer:** Advertisement for sale must include disclosure of the property tax a buyer would be obligated after purchasing the property. § 40-12C.

**Dates of Finality, Part-year Taxes, Service Charge:** There is no service charge for semiannual payments. § 52-2.

**Advance Payment of Property Tax:** § 52-2A, TP § 10-205.

**Estimated Payment of Personal Property Tax:** § 52-4.

**Personal Property Tax Process:** § 52-9.

**Appeal Tax Court:** § 52-18.

**Property Tax Deferral for Moderate Income Rental Properties:** Rental properties that provide Section 8 housing and have at least 15% of units renting at or below fair market rents may defer county taxes, including special rates. The deferral is based on the percentage of units renting at or below fair market rents. Interest accrues on the deferred taxes. Deferred taxes capped at 50% of building's value. § 52-19.

**Property Tax Deferral for Principal Residences Affected by Government-initiated Zoning Change:** Applies to an assessment increase resulting directly from a government-initiated change in the zoning classification of the property to a higher intensity use. Includes all county taxes, including special rates. Interest accrues on the deferred taxes but no penalties. Deferred taxes capped at 50% of property's value. Taxpayer must have resided at the property for 24 months before the zoning change. § 52-20.

**Property Tax Deferral for Principal Residences:** For taxpayers who (1) have a combined gross income of \$120,000 or less and have lived in the property for at least 5 years or (2) is at least 65 years old and has a combined gross income of \$80,000 or less. Deferral is for property tax increases and includes all county taxes, including special rates. Interest accrues on the deferral except for the elderly, unless the council imposes interest

on the elderly. There are no penalties on deferred taxes. Deferred taxes capped at 50% of property's value. § 52-22.

**Property Tax Refund for the Blind and Veterans:** Refunds to individuals who receive an exemption under the State code for any year in which the exemption was authorized but not granted, up to three years. § 52-23.

**Payment in Lieu of Taxes (PILOT) for Housing Developments:** § 52-24.

**Lien on Property for Unpaid Excise Taxes:** Unpaid excise taxes are a lien on the real and personal property of any person liable for the taxes. Notice of the lien must be filed with the circuit court. The lien may be enforced by suit or through tax sale. Excise taxes include, but are not limited, to fuel-energy taxes, telephone taxes, room rental transient taxes, beverage container taxes, and transfer taxes. § 52-21.

**PILOTs for Property Leased from WMATA:** For high rise residential apartment buildings on land leased from WMATA at a Metro station. Must include 25% moderately priced dwelling units. § 52-24A.

**Tax Sales:** Property may go to tax sale on March 1 after the tax is due. Tax sale is held on the second Monday in June. There is a penalty of \$20 on each parcel. County may buy properties at its tax sale and issue short-term anticipation debt backed by redemption of the properties. County must offer for sale properties it acquired at tax sale, unless it wishes to retain the property or convey it to another government. §§ 52-25 through 52-28.

**Home Energy Loans:** The county makes low-interest loans to owners of single-family homes to make an energy efficiency improvement or install a renewable energy device and repay the loan over 15 years through the county property tax bill. A subsequent buyer must continue to make payments. The loan is a first lien and may be enforced through tax sale. §§ 18A-24 through 18A-32.

**Commercial Property Assessed Clean Energy Program:** For commercial properties and multifamily residential buildings. Loans made by private lenders. The loan is a first lien and may be enforced through tax sale. §§ 18A-33 through 18A-37.

## **Tax Credits**

**Permanently and Totally Disabled Homeowners:** For homeowners who are not yet 60 years old and are receiving disability benefits or have been certified permanently and totally disabled. Net worth must be \$150,000 or less. § 52-84.

**Homeowners' Supplement:** § 52-85, TP § 9-215.

**Income Tax Offset Credit:** For owner-occupied dwellings only. No application required. § 52-86, TP § 9-221.

**Scenic Easement:** For conveyances to the government of scenic easements. Land must be surrounded by parkland. § 52-87.

**Historic Preservation:** For 25% of expenses of preservation and restoration. § 52-88, TP § 9-204.

**Conservation Land:** For property subject to a perpetual conservation easement or owned by a land trust. Agricultural land is not eligible. § 52-89, TP § 9-220.

**New Jobs:** For real and personal property of businesses that build new or expanded premises and employ at least 25 people. There is also an enhanced credit. § 52-90, TP § 9-230.

**Brownfields:** There is also an enhanced credit for enterprise zones and certain neighborhoods. § 52-91, TP § 9-229.

**Seniors of Limited Income:** 50% credit applied automatically to recipients of the homeowners' credit who are at least 65. § 52-92, TP § 9-245.

**Nonprofit Organizations:** For certain housing corporations, community theaters, and common areas. § 52-93, TP § 9-317.

**Day Care:** § 52-94, TP § 9-213.

**Religious Organizations:** For property leased by a religious organization. § 52-96, TP § 9-222.

**Audubon Naturalist Society:** § 52-97.

**Fire Sprinkler Systems:** For systems installed when not legally required. § 52-98, TP § 9-232.

**Arts and Entertainment District:** For properties located in an arts and entertainment district and wholly or partially constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise. § 52-99, TP § 9-240.

**Surviving Spouse of Law Enforcement Officer or Rescue Worker:** § 52-100, TP § 9-210.

**Home Computer Telecommuting Incentive:** Personal property credit for computers purchased for employees to work off site. Credit is 50% of the cost of each computer. § 52-101, TP § 9-241.

**Nonprofit Swim Clubs:** § 52-102, TP § 9-244.

**High Performance Buildings:** For newly constructed or extensively modified nonresidential or multifamily residential buildings that meet certain energy and environmental design standards. §§ 52-103, 52-103A, and 52-103B, TP §§ 9-203 and 9-242(a).

**Renewable Energy:** For solar or geothermal energy device or an energy conservation device. Single family owner-occupied homes are eligible. Solar and geothermal portion of the credit expired in 2012. § 52-104, TP § 9-203.

**Business Incubator:** The State or county must own, control or lease the space used by the incubator or provide at least 50% of the funding of the incubator. § 52-105, TP § 9-247.

**Accessibility Features:** For accessibility features installed on existing owner-occupied properties. § 52-106, TP § 9-250.

**Additions with Accessibility Features:** For additions to single-family residences that include accessibility features. § 52-107, TP § 9-250.

**Burtonsville Enterprise Zone Property:** For improvements to real property and personal property. § 52-108, TP § 9-317.

**Reduced Rent for Elderly or Disabled Tenants:** For owners of rental dwellings who provide rent at least 15% below market rates to elderly or disabled tenants who meet income and asset requirements. The credit is 50% of the rent reductions. § 52-109, TP § 9-219.

**Elderly and Retired Military Service Members:** For individuals at least 65 years old who (1) have lived in the same dwelling for at least 40 years; (2) are a retired veteran; or (3) are the unmarried surviving spouse of a veteran. The value of the home must not exceed certain limits. § 52-110, TP § 9-258.

**Urban Agriculture:** For property used for urban agriculture in or within 1000 feet of certain Metro Station Policy Areas. The lot must be at least one-half acre and not more than three acres. § 52-111, TP § 9-253.

## **Exemptions**

**Manufacturing Equipment and Farm Equipment:** Total exemption. § 52-11.

**Research and Development:** For personal property. § 52-95.

# Prince George's County

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## Property Tax Cap

Real property tax revenue may not exceed the amount raised in fiscal 1979, except that a real property tax rate may be imposed up to \$0.96 per \$100 of assessed value. If the county council, under proper authority, establishes a separate tax class for residential real property, the cap will no longer apply to any nonresidential class of property, and revenue from residential real property will be limited to the amount in fiscal 1979. Charter § 812.

## Homestead Percentage

The homestead credit percentage may not exceed 100% plus the percentage of increase in the Consumer Price Index for the previous 12 months, rounded to the nearest whole number, but not more than 105%. Charter § 812.

## Referendum on Tax and Fee Increases

The county council must refer to referendum any ordinance or resolution levying or charging the amount of any tax or fee in excess of the amount levied or charged in the preceding fiscal year. The increase may not take effect until approved by the voters. (The amount of any existing tax or fee is not subject to the referendum.) Each tax or fee must be voted on separately. There are requirements for public information and the ballot language. Certain license and permit fees and services fees are exempt, including cable franchise fees and casino night levies. (**Note:** Attorney General opinions have determined that this section is almost entirely void because it conflicts with State law.) Charter § 813.

## Taxes

**Transfer Tax:** Authority, Chapter 784 of 1957, § 10-187. Rate capped at 1.4%. The scope of the tax is different than in other counties because the tax applies to mortgages and deeds of trust. Exemptions for conveyances to the State or a political subdivision, conveyances between husband and wife, purchase money mortgages or purchase money deeds of trust, and mortgages on property owned by religious groups. Refinancing by the original mortgagor is subject to tax only on the consideration over and above the amount of the original mortgage. The county council may exempt refinancing by the original mortgagor from the tax entirely (it has not done so). The county council may exempt part of the consideration for certain mortgages on the mortgagor's principal residence that are recorded at least one year after a purchase money mortgage (it has done so). Rate is limited



to 1% for sale of principal residence to a classroom teacher employed by the county school system for at least three years after purchasing the property. Exemption from tax for the first purchase of a principal residence in the county by a county police officer or deputy sheriff employed by the county or a municipal corporation in the county for at least three years after purchasing the property. The rate is capped at 1% for any subsequent purchase of a principal residence by a police officer or deputy sheriff. Tax on transfer of principal residence may be paid by the transferee in six equal installments over six months after the transfer at the option of the transferee. If this option is exercised, there is an additional fee including interest and administrative costs. Tax revenue is dedicated to education. See also §§ 10-188 through 10-191.

**Recordation Tax:** § 10-192.

**School Facilities Surcharge:** Authority, Chapter 66 of 1995, § 10-192.01. Imposed on new residential construction when a building permit is issued. Applies to single-family detached dwellings, townhouses, or dwelling units for any other building containing more than a single dwelling unit. Amount of the surcharge is adjusted annually for inflation. There are lower rates for development in “Transportation Service Area 1” and near mass transit. Exemptions for mixed retirement developments or elderly housing, student housing, certain minor subdivisions by individual owners, certain revitalization projects, and certain studio or efficiency apartments near transit. The surcharge is paid by the seller. Revenue is dedicated to school construction.

**Sales and Use Tax on Telecommunications Service:** The tax is 9% of gross receipts for telecommunications service in the county. Gross receipts do not include any government taxes or charges. Tax applies to telecommunications service that originates and terminates in the county or originates or terminates in the county and has a service address in the county. Service address means the location of the telecommunications equipment to which a call is charged, regardless of where the call is billed or paid, and in the case of mobile telecommunications service, the location of the customer’s place of primary use as defined in the Mobile Telecommunications Sourcing Act. Exemptions for nonprofits and the government. The tax must be itemized on the customer’s bill. The tax is collected by the vendor providing telecommunications service. There is a vendor collection credit of 0.5% of the amount collected. Vendor is liable for taxes due. Revenue is dedicated to education. §§ 10-192.02 through 10-192.10, LG § 20-605.

**Public Safety and Behavioral Health Surcharge:** Authority, Chapter 594 of 2005, § 10-192.11. Imposed on new residential construction when a building permit is issued. Applies to single-family detached dwellings, townhouses, or dwelling units for any other building containing more than a single dwelling unit. There are lower rates for development in “Transportation Service Area 1” and near mass transit. Exemptions for certain minor subdivisions by individual owners. The council may waive the surcharge. The surcharge is paid by the seller. Payment of the surcharge requires that any test concerning the adequacy

of the county's public safety facilities under the county's adequate public facility ordinance be conducted in a certain manner. Revenue is dedicated to police, fire, and emergency medical services facilities and equipment and behavioral health programs and facilities. A certain percentage of revenue collected in a municipality must go to the police department of the municipality.

**Income Tax:** § 10-193.

**Energy and Fuel Tax:** Imposed on the sale of electricity, natural gas, liquefied petroleum gas, and fuel oil. Does not apply to the government, motor vehicle fuel, or fuel used in the production of other forms of energy subject to the tax. Government charges are not included in the amount subject to the tax. Collected by the vendor and the vendor is liable for the tax. Tax must be separately itemized on the bill. Tax rates proposed to the county council escalate automatically. There is a refund of the tax available for low-income people. To be eligible for the refund, an individual must be eligible for the renters' or homeowners' tax credits; energy or weatherization assistance from the State; be an unmarried person at least 65 whose income is less than \$20,000 per year; or be a married person whose income, combined with the spouse's income, is less than \$30,000 per year. Claim for refund must be made within three years. Revenue is dedicated to education. §§ 10-205 through 10-205.05, LG § 20-604.

**Admissions and Amusement Tax:** The tax rate is generally 10%, but there are lower rates for coin-operated amusement devices (5%), refreshments, service, or merchandise sold or served in connection with entertainment at a nightclub or room in a hotel, restaurant, hall, or other place where dancing privileges, music, or other entertainment is provided (0.5%), and admission to a golf course (5%). There are exemptions for concerts or theatrical events of a nonprofit; a regional, amateur athletic tournament or tournament event conducted under the auspices of a recognized amateur or intercollegiate association; events to select participants in the Olympics; farm recreational activities, and amounts charged by the Maryland-National Capital Park and Planning Commission (M-NCPPC) for admission to a place, use of any game of entertainment or recreational or sports facility, use or rental of recreational or sports equipment, or sale of any merchandise, refreshments, or services. However, golf facilities operated by M-NCPPC are not exempt. §§ 10-206 through 10-208.

**Hotel and Motel Tax:** Authority, Chapter 118 of 1975, § 10-218.01. Rate is capped at 10%. The actual rate is 7%. Municipalities receive 50% of the revenue generated within the municipality. At least 5% of the revenue must be appropriated to the Prince George's Conference and Visitors Bureau. Does not apply to a corporate training or conference center, hospital, medical clinic, convalescent home, or home for aged persons. Applies only to a person renting a room for less than 90 days. Applies to "room remarketers" (*i.e.*, online bookers), who must collect the tax and include any fee charged by the room remarketer in

the amount subject to the tax. Unpaid tax is a lien on real and personal property and may be enforced through tax sale. §§ 10-218 through 10-225.

**Controlled Dangerous Substances:** Tax imposed on each separate sale, or use, storage, or consumption of controlled dangerous substances. The tax rate is 30%. The tax shall be paid by the person who sells, uses, stores, consumes, or steals the controlled dangerous substances subject to the tax. The tax is payable for each separate taxable event, and every person who is a party to the event is jointly and severally liable for the payment of the tax, but the tax is not duplicated when there is in fact only one transaction or event. Tax is payable within 15 days of the taxable event. Notice of the tax due shall be given to the taxpayer when practicable but is not required. Notice of the tax shall be given within three years. Unpaid tax is a lien on the real and personal property of the taxpayer. Information obtained and testimony given in connection with the tax is confidential and may not be used in a criminal proceeding. §§ 10-227 through 10-231.03.

**Trailer Park Tax:** Exemptions for the elderly, disabled, or those receiving public assistance. §§ 10-243 through 10-248.

**Casino Night Levy:** Tax is imposed on gross receipts derived from gaming activities conducted at a casino night by a charitable organization. However, because casino nights were abolished by legislation passed in 1997, the tax is no longer collected, although it remains on the books. §§ 10-270 through 10-282.

**Development Impact Fee:** Authority, Chapter 597 of 1990, § 10-265. The fees are for financing up to 50% of the capital costs of additional or expanded transportation projects required to accommodate new construction or development. The fees are imposed in areas of the county in which the county council determines that the level of new construction or development is creating a need for additional or expanded transportation projects. The planning board may impose a development impact fee in lieu of mandatory transportation improvements otherwise required to achieve transportation adequacy at the time of subdivision approval under certain circumstances. It does not appear that any development impact fees are currently imposed under the authority of this section. § 10-265.

## **Special Taxing Districts**

**Stormwater:** The Stormwater Management District consists of the entire county except the City of Bowie. The county council may create one or more special taxing areas within the district. The council has established two taxing areas where an ad valorem tax is imposed. Government property and property which is not yet provided direct or indirect stormwater management services is exempt. §§ 10-262 through 10-264, LG §§ 21-607 and 21-623.

**Special Taxing Districts for Infrastructure Improvements:** Districts may be used to finance various infrastructure improvements, including convention centers, conference centers, and visitors' centers. A district is created if the owners of at least two-thirds of the assessed valuation of the real property located within the district and at least two-thirds of the owners of the real property located within the district request the creation of the district. Ad valorem, special, or hotel taxes may be imposed within a district. Municipalities must consent to the creation of a district within its borders. This section is State law. § 10-269 The editor's note lists more than 20 special taxing districts that have been established under this authority.

**M-NCPPC:** There are several special taxes that apply in certain districts. The regional district consists of all of Prince George's County except for the City of Laurel as it existed on July 1, 2013. A tax is imposed in the regional district to pay operating and administrative expenses of the commission. Land Use Article, § 18-307. The metropolitan district consists of all of Prince George's County except for the City of Greenbelt as it existed on July 1, 2016. A tax is imposed in the metropolitan district for parks. Land Use Article, §§ 18-304. The entire county is subject to a tax to fund recreation programs and facilities. Land Use Article, § 18-306.

**Washington Suburban Transit District:** Consists of Montgomery and Prince George's counties, including municipalities. The district is governed by a seven-member commission, with two members each appointed by the county executives of Montgomery and Prince George's counties and two members appointed by the Governor. The Secretary of Transportation or Secretary's designee services *ex-officio*. The district provides funding for the Washington Metropolitan Area Transit Authority to provide transit services in Montgomery and Prince George's counties. Montgomery and Prince George's counties must impose a property tax to meet the obligations of the district, or they may use revenue from another tax that they are authorized to impose. The district also serves a transportation planning and coordination function. Codified under Washington Suburban Transit District §§ 1 through 25. These sections are State law.

## Miscellaneous

**Tax Sales:** Personal property may be sold at tax sale. Sale is held on the second Monday in May. Property owned by a common ownership community is not subject to tax sale until January 1, 2021. Redemption interest rate is 20%. §§ 10-122 through 10-126 and 10-129 through 10-138, 10-140, 10-172.

**Assessment of Escaped Property:** § 10-128, 10-141.

**Tax Certificate:** Statement of all taxes owed on a property. Collection of any tax not included on the certificate is barred from any purchaser of the property. § 10-139.

**Refunds to Disabled Veterans:** Refunds to individuals who receive an exemption under the State code for any year in which the exemption was authorized but not granted, up to three years. § 10-144.01.

**Collections for Municipalities:** County may contract with municipalities to collect municipal taxes and charge a fee for these services. § 10-145.

**Part-year Taxes:** § 10-173.

**Municipal Tax Differential:** Calculation and procedures. §§ 10-183 through 10-186.02.

**Payment in Lieu of Taxes (PILOT):** There is a list of PILOTs entered into by the county going back to 1981 in the editor's note following § 10-194. There are at least 40 PILOTs listed.

**Tax Deferral on Rezoned Property:** Deferral of taxes due to increased assessment for up to 5 years on the portion of certain rezoned property not designated for development. § 10-195, TP § 10-202. Deferral of taxes due to increased assessment for up to 10 years for certain residential property rezoned to commercial, industrial, or mixed use. § 10-196, TP § 10-201.

**Tax Deferral for Elderly or Disabled Homeowners:** For homeowners with a combined gross income of \$45,000 or less. Only the increase in taxes may be deferred. Interest on deferred taxes is 9% a year. A surviving spouse is eligible. § 10-197.

**Penalty for Overdue Taxes:** § 10-201.

**Interest on Overdue Taxes:** § 10-201.01, TP § 14-604.

**Personal Property Tax Rate:** Rate capped at \$3.57 per \$100 of assessed value. § 10-202.

**Payment of Estimated Personal Property Tax:** § 10-204.

**County Collection of Municipal Taxes:** County may collect municipal taxes at the request of a municipality. Municipality may be required to reimburse the county for costs. § 10-204.01.

**Renters Property Tax Relief Supplement:** For each resident who qualifies for the renter's credit under TP § 9-102. Payment is 50% of the State credit. § 10-204.03.

**Homestead Percentage:** § 10-241.02.

**Clean Energy Loan Program:** For commercial properties. §§ 10-317 through 10-321, LG §§ 1-1101 through 1-1110.

## Tax Credits

**Tobacco Barns:** § 10-203, TP § 9-212.

**Conservation Land:** § 10-203.01, TP § 9-220.

**Agricultural Land:** For land in an agricultural land preservation program. § 10-231.04, TP § 9-318.

**Newly Constructed or Substantially Rehabilitated Single-dwelling Unit or Commercial Property:** Value of the property must be increased by at least 50%. For up to one year. §§ 10-232 and 10-233, TP § 9-207.

**Improvements to Historic Properties:** For 25% of restoration and preservation expenses or 10% of expenses for new construction adjacent to, and architecturally compatible with, any historic structure. § 10-235.01, TP § 9-204.

**Revitalization Tax Credit District:** For increased tax due to improvements to residential and nonresidential properties within a district established by the county council. §§ 10-235.02 and 10-235.03.

**Research and Development Facilities:** For construction or expansion of facilities high technology manufacturing, fabrication, assembling, or research and development. § 10-235.05, TP § 9-205.

**Energy Conservation:** For solar or geothermal energy devices on residential property. § 10-235.06, TP § 9-203.

**Business Incubator:** Incubator must be publicly supported. § 10-235.07, TP § 9-247.

**Brownfields:** §§ 10-235.08 through 10-235.12, TP § 9-229.

**New Jobs:** For businesses with new or expanded premises in a priority funding area that create new positions. For real and personal property. §§ 10-235.13 through 10-235.18.

**High Performance Buildings:** For buildings that meet green building standards. § 10-235.19, TP § 9-242.

**Green Businesses:** Business must provide green products. For real and personal property. § 10-235.20, TP § 9-318.

**Accessibility Features:** For features installed in owner's principal residence. § 10-235.21, TP § 9-250.

**Urban Agriculture:** Must be in a priority funding area. §§ 10-235.22 through 10-235.25, TP § 9-253.

**Healthy Food Priority Area:** Personal property credit for new construction of a grocery store or substantial renovation of an existing grocery store in a health food priority area (food desert). § 10-235.26, TP § 9-318.

**Grocery Stores:** Real property credit for new or expanded grocery store in a healthy food priority area. §§ 10-310 and 10-311, TP § 9-254.

**Scenic Easement:** §§ 10-236 through 10-241.

**Religious Organizations:** For property leased, occupied, and used by a religious group. § 10-241.03, TP 9-222.

**Municipal Corporations:** For property that is leased, occupied, and used by a municipal corporation. § 10-241.04, TP § 9-225.

**Surviving Spouse of Fallen Law Enforcement Officer or Rescue Worker:** § 10-241.05, TP § 9-210.

**Nonprofit Swim Clubs:** § 10-241.06, TP § 9-244.

## **Exemptions**

**Exemption by State Law:** Property authorized to be exempt under § 9-318 of the Tax-Property Article is declared to be exempt. Community civic associations and corporations must meet certain conditions for exemption. § 10-194.

**Airplane Landing Strips:** § 10-194.01, TP § 8-302.

**Residential Property Near a Landfill:** Partial property tax exemption for residential property near the Brown Station Road Sanitary Landfill. § 10-194.02, TP § 9-318.

**Research and Development Personal Property:** It is 75% exempt. § 10-235.04.

**Data Centers:** For personal property used in a data center. § 10-235.27, TP § 7-248.

**Inventory:** Stock in manufacturing and commercial businesses is exempt. § 10-248.01.





# Queen Anne's County

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## Taxes

**Recordation Tax:** § 5-5.

**Transfer Tax:** Code county. All State exemptions apply. Seller must pay the entire tax in a sale to a first-time home buyer, unless there is an agreement to the contrary. § 5-11.

**Development Impact Fee:** Residential development is subject to public school, fire protection, and parks and recreation impact fees. Nonresidential development is subject only to the fire protection impact fee. There are exemptions for senior housing and farms. The fee imposed on nonresidential development in a designated growth area or incorporated town is reduced by 50%. §§ 18:3-1 through 18:3-22, LG § 20-701.

## Special Taxing Districts

**Kent Narrows Commercial Management and Waterfront Improvement District:** The special tax does not apply to residential property. District is particularly for pedestrian access facilities. §§ 5-12 through 5-16.

## Miscellaneous

**Tax Sales:** Sale is on the third Tuesday of May. The 2020 tax sale is postponed until the regularly scheduled tax sale in 2021. § 5-2.

**Property Tax Deferral for Elderly and Disabled:** Applicants must have resided in the dwelling for at least 5 years, be at least 65 or permanently and totally disabled, and have a combined gross income of \$100,000 or less. 2% interest on the deferral. § 5-7.

**Refunds to Disabled Veterans and Surviving Spouses:** Retroactive while pending approval for exemption. § 5-9, TP § 7-208(g).

**Homestead Percentage:** § 5-10.1.

**Tax Setoffs:** Procedures. §§ 5-22 through 5-24, TP § 6-306.

**Clean Energy Loan Program:** For commercial properties. §§ 5-27 through 5-29, LG §§ 1-1101 through 1-1110.

## **Tax Credits**

**Conservation Land:** § 5-8, TP 9-220.

**Brownfields:** § 5-10, TP 9-229.

**Disabled Law Enforcement Officer or Rescue Worker or Surviving Spouse:** § 5-10.2, TP 9-210.

**Agricultural Land:** For property subject to an easement that is permanently conveyed or assigned to the Maryland Agricultural Land Preservation Foundation. § 5-10.3, TP § 9-206.

**Businesses That Make Significant Real Property Improvements:** Must also hire at least 12 new employees. § 5-10.4, TP § 9-319.

**Arts and Entertainment District:** For manufacturing, commercial, or industrial buildings that are constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise. § 5-10.5, TP § 9-240.

**Veterans and Surviving Spouses:** § 5-10.6, TP § 9-258.

**Volunteer Fire Department Members:** § 5-10.7, TP § 9-260.

## **Exemptions**

**New Business or Industry:** County may exempt personal property of a new business or industry in the county that employs at least 20 people if the property of the business is worth more than \$30,000. Exemption is for 10 years. § 5-6.

**Business Personal Property:** Except for the operating personal property of a public utility and personal property used to generate electricity for sale, business personal property is exempt from taxation in Queen Anne's County. § 5-30.

**Utility Property:** Operating personal property of a public utility and machinery or equipment used to generate electricity or steam for sale or hot or chilled water for sale that is used to heat or cool a building is subject to tax on 50% of its value. § 5-31, TP § 7-237 Up to \$1 million of the operating personal property tax revenue is paid into the Farmland Preservation Fund. § 5-32.

# St. Mary's County

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## Taxes

**Emergency Services Tax:** Authority to impose the tax on real and personal property. There are separate taxes for fire, rescue, and support services. The tax rates may vary by election district, subject to certain limits. These provisions are State law. §§ 49-1 through 49-4.

**Transfer Tax:** Authority, Chapter 599 of 1990, § 138-1. Rate is capped at 1%. All State exemptions apply. Does not apply to transfers subject to the agricultural land transfer tax. The revenue is dedicated to capital projects. Authority expires on October 1, 2024. See also §§ 267-32 through 267-43.1. Exemption for first \$30,000 of consideration for principal residence of the grantee.

**Development Impact Fees:** Imposed on residential development. Revenue dedicated to educational, water, sewerage, road, sanitation, solid waste, and park facilities. County may waive or defer payment of an impact fee on affordable housing. §§ 223-4 through 223-4.6, LG § 20-706(b). **Note:** Under Chapter 589 of 2021, the county's authority to impose a development impact fee under LG § 20-706(b) will be repealed effective July 1, 2023, and replaced with new authority to impose a building excise tax under LG § 20-807.

**Mobile Home Tax:** §§ 267-1 through 267-4.

**Admissions and Amusement Tax:** Agricultural tourism exempt. §§ 267-6 through 267-9.

**Recordation Tax:** A portion of the revenue is dedicated to conserving and protecting rural lands. §§ 267-19 and 267-19.1, TP § 12-102.

**Hotel Rental Tax:** Bed and breakfasts and country inns are exempt. Revenue from Leonardtown is distributed to the town. §§ 267-20 through 267-22.4.

**Energy and Fuel Tax:** Tax applies to electricity, natural gas, liquefied petroleum gas, and fuel oil (not motor fuel). Rate may not exceed 5%. Government users exempt. The tax is collected by the vendor and separately itemized on the customer's bill. There is a refund available of \$55 or actual taxes paid for persons who are eligible for the homeowners' credit or are eligible for weatherization or energy assistance from the State. §§ 267-23 through 267-28, LG § 20-606.

## **Miscellaneous**

**Tax Sales:** The county may buy tax sale property for which there are no bidders. State law. § 139-4.

**Interest and Penalty:** 1% per month and 3% per year. §§ 267-5 and 267-31.

**Homestead Percentage:** §§ 267-44 and 267-45.

**Refunds to Blind Individuals and Disabled Veterans:** Refunds to individuals who receive an exemption under the State code for any year in which the exemption was authorized but not granted. §§ 267-46 and 267-47, TP §§ 7-207(f) and 7-208(g).

**Property Tax Deferral for Elderly and Disabled:** Homeowners must have lived in the dwelling for at least 5 years, be at least 65 or permanently and totally disabled, have a combined gross income below a certain amount, and have a net worth not exceeding \$200,000. Interest is charged on the deferral. Surviving spouses and individuals who exceed income requirements may continue to defer previously deferred taxes. §§ 267-48 through 267-51, TP § 10-204.

## **Tax Credits**

**St. George's Island Improvement Association:** For real and personal property used exclusively for community or civic purposes. § 267-18, TP § 9-320.

**Tobacco Barns:** § 267-53, TP § 9-212.

**Seventh District Optimist Youth Foundation:** For real and personal property used exclusively for community or civic purposes. § 267-54, TP § 9-320.

**Agricultural Land:** For owners who agree to restrict development of the land for at least five years. §§ 267-55 through 267-58, TP § 9-320.

**Historic Preservation:** For new structures within an historic district or structures that are restored and preserved. Credit is a percentage of expenses. §§ 267-59 through 267-63, TP § 9-204.

**Surviving Spouse of Fallen Fire, Rescue, or Emergency Medical Services Worker:** §§ 267- 64 through 267-65.1, TP § 9-210.

**Senior Citizens:** For individuals at least 70 years old and with a Maryland taxable net income of \$80,000 or less. Credit applies to property tax increases. §§ 267-67 through 267-69, TP § 9-245.

**Fire Protection Sprinkler Systems:** For voluntary installation of sprinkler systems in residences between 2008 and 2014. § 267-71, TP § 9-232.

**Property Leased to a Nonprofit School:** § 267-72, TP § 9-320.

**Habitat for Humanity:** For properties being transferred to new ownership. § 267-73, TP § 9-252.

**Improvements to Commercial Real Property:** For commercial property located in eligible areas that make significant improvements. Property tax is held constant for a period of time. §§ 267-74 through 267-75.1, TP § 9-320.

**Elderly Individuals and Veterans:** For individuals at least 65 who have lived in the same dwelling for at least 40 years and individuals at least 65 who are retired members of the U.S. Armed Forces. Dwelling must not be assessed at more than \$400,000, and income may not exceed \$80,000. §§ 267-76 and 267-77, TP 9-258.

## **Exemptions**

**Manufacturing Inventory:** Total exemption. § 267-17.

**St. Mary's Home for the Elderly:** Payment in lieu of taxes. §§ 267-52 and 267-52.1.



# Somerset County

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## Taxes

**Hotel Rental Tax:** General fund revenue. Resolution 882.

## Special Taxing Districts

**Smith Island Special Taxing District:** Revenue dedicated to the removal of abandoned vehicles from Smith Island and the prevention of vehicle abandonment on Smith Island. §§ 8-101 through 8-103.

**Smith Island Solid Waste District:** Fee for solid waste removal on improved property. Fee may be collected in the same manner as property taxes. § 8-201.

## Miscellaneous

**Tax Certificate:** Statement of all taxes owed on a property. Collection of any tax not included on the certificate is barred from any purchaser of the property. § 7-116.

**Tax Sales:** Properties go to tax sale if the tax is unpaid as of January 1. § 7-203 Tax sales of personal property. § 7-302.

## Tax Credits

**Crisfield Heritage Foundation:** Expired in 2011. Ordinance No. 975, TP § 9-321.

**Commercial Assessment Increases:** Expired in 2011. Credit is for any increase over 20%. Ordinance No. 975.

**Commercial Waterfront Property:** Credit is for any assessment increase over 20%. Ordinance No. 975, TP § 9-249.

## Exemptions

**Manufacturing Facilities:** County may exempt manufacturing facilities from real and personal property tax if the business has 10 or more employees and makes improvements to facilities. The exemption only applies to the improvements. The exemption must be



renewed annually and cannot last more than five years, except for Eastern Shore Forest Products. § 11-101.

**Tax Exemption for Volunteer Fire Department Member:** Municipalities may exempt a member from municipal taxation in an amount up to \$3,000. § 4-101.

Note that enactments of the Somerset County Commissioners are not codified. The county code includes only State enactments. Some uncodified enactments of the commissioners are available online but many are not. This outline includes only State enactments and those county enactments that are available online.

# Talbot County

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## Property Tax Cap

Revenues may not increase compared to the previous year by more than 2%. The county council is authorized to raise revenues above the revenue cap by up to 1 cent per \$100 of assessed value for a period of five years only, beginning July 1, 2021. Charter, § 614.

## Taxes

**Transfer Tax:** Authority, Chapter 672 of 1987. Amended by Chapter 606 of 1992. Rate capped at 1% under Chapter 672 and increased to 1.5% under Chapter 606 of 1992. Uncodified language in Chapter 606 says that the higher tax rate remains authorized until the county's property tax cap is "repealed or amended," at which point the maximum authorized rate reverts to 1%. Tax currently imposed at a rate of 1%. Conveyances by or to governmental entities are exempt. The first \$50,000 of consideration is exempt. §§ 172-17 through 172-21.

**Hotel Rental Tax:** Revenue within a municipality or within a one-mile radius of a municipality is paid to the municipality for tourism. The rest of the revenue goes to the county for tourism or economic development. §§ 172-4 through 172-16.

**Mobile Home Tax:** \$40 per quarter per mobile home. §§ 91-5 through 91-10.

**Development Impact Fees:** Authority, Chapter 642 of 1991. Exemptions for agricultural buildings, government, and public and nonprofit housing. Fees on affordable housing may be deferred up to the amount in the reserve fund. Small business incentive rate may be applied up to the amount in the reserve fund. Fees are imposed per dwelling unit on residential property and per square foot on commercial property. Credits against the fee are allowed for conveyances of land or public facilities. §§ 64-8 through 64-23.

**Building Excise Tax:** Authority, Chapter 48 of 2003. The county does not currently impose a building excise tax under this authority. LG § 20-806.

## Special Taxing Districts

**Street Lighting Districts:** Funded by ad valorem taxes on property owners. 60% of property owners must request creation of the district. §§ 172-41 through 172-44.

## **Miscellaneous**

**Clean Energy Loan Program:** For commercial properties. §§ 172-31 through 172-40, LG §§ 1-1101 through 1-1110.

**Tax Sales:** Collection of all amounts due to the county from property owners shall be collected through the tax sale process. § 64-30.

## **Tax Credit**

**Commercial and Industrial Businesses:** For businesses that complete at least \$1 million of improvements to real property and create at least 15 new full-time positions. §§ 172-22 through 172-30, TP § 9-322.

## **Exemptions**

**Real Property Exemptions:** Property acquired in the county on and after June 30, 1972, may only be exempted from county property tax by the county council. The council must grant an exemption if the property is “reasonably related to the religious, scientific, charitable” purposes of the owner. An exemption may not be granted to property used “solely as or as a means to produce revenue, business or investment income.” These provisions prevail over any contrary provisions of the State code. These provisions are State law. Chapter 724 of 1972. §§ 172-1 through 172-3.

# Washington County

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## Taxes

**Transfer Tax:** Authority, Chapter 468 of 2003, § 2-702. County may only impose a transfer tax if it also imposes a building excise tax. Rate is capped at 1%. Revenue is dedicated to school construction, public safety, transportation, debt reduction, and agricultural land preservation. All State exemption apply. Does not apply to land subject to agricultural land transfer tax. County commissioners are authorized to provide additional exemptions, including for first time homebuyers, seniors moving to less expensive housing, affordable housing, and redevelopment of property inside urban growth areas. Implementing ordinance available at <https://www.washco-md.net/wp-content/uploads/legal-TransferTaxOrd.pdf>

**Agricultural Land Transfer Tax:** Authority, Title 13, Subtitle 5 of the Tax-Property Article. The county may impose a tax up to 2% on transfers subject to the State agricultural land transfer tax. Revenue must be used to purchase development rights on agricultural land.

**Building Excise Tax:** Authority, Chapter 468 of 2003, § 2-701. Maximum rates are established. Higher rates may be imposed in certain subdivisions in congested areas. Uses of the revenue are specified, including for agricultural land preservation. Municipalities may retain a portion of the funds under certain circumstances. Does not apply to farm buildings. Implementing ordinance available at <https://www.washco-md.net/wp-content/uploads/Revision-12-Final.pdf>

**Hotel Tax:** Implementing ordinance available at <https://www.washco-md.net/wp-content/uploads/legal-res-hotel-tax.pdf>

## Tax Credits

**Senior Citizen Supplemental Homeowners' Property Tax Credit:** For individuals at least 65 and with a net worth of \$200,000 or less and a combined income of \$60,000 or less. Administered by the State Department of Assessments and Taxation. Resolutions – RS 2011-09 and RS-2012-08, TP §§ 9-215 and 9-245.

**Veterans:** For 1% to 100% service-connected disabled veterans and surviving spouses. Ordinance 2018-13, TP § 9-323.

**Historic Preservation:** For restoration and preservation expenses. TP § 9-204.

**Agricultural Preservation:** For properties that remain agricultural for 10 years. TP § 9-323.

**Foreign Trade Zones:** Personal property credit. TP § 9-231.

**High Performance Commercial Buildings:** TP § 9-242.

**Job Creation and Capital Investment:** TP § 9-323.

**Commercial Site Improvement:** Credit is 0.4% of construction costs for improvements on commercial property for three years. TP § 9-323.

**New Jobs:** For businesses that construct or expand premises and employ at least 25 people. TP § 9-230.

Note that enactments of the Washington County Commissioners are not codified. The county code includes only State enactments. The above information on tax credits was obtained from the county's website: <https://www.washco-md.net/treasurers-office/tax-credit-information/>. This outline includes only State enactments and the tax credit information available on the county's website.

# Wicomico County

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## Property Tax Cap

Revenues may not increase compared to previous year by more than the Consumer Price Index or 2%, whichever is less. Charter, § 706.

## Taxes

**Transfer Tax:** Authority, Chapter 399 of 1992, § 203-23. Rate capped at 1%. All State exemptions apply. Does not apply to transfers subject to the agricultural land transfer tax. The county does not currently impose a transfer tax under this authority. Local legislation imposing the tax was petitioned to referendum in 2000 and rejected by the voters.

**Recordation Tax:** §§ 203-1 through 203-2.

**Admissions and Amusement Tax:** Activities at the professional baseball stadium are taxed at a higher rate. Youth recreational teams and leagues are exempt from tax. Arts and entertainment enterprises and qualifying residing artists within the Salisbury Arts and Entertainment District are exempt. Activities taxed or exempted by a municipality are exempt from county tax. §§ 203-8 through 203-10.

**Income Tax:** §§ 203-13 and 203-14.

**Hotel Rental Tax:** Revenue is dedicated to the Salisbury Zoological Park, Wicomico County Youth and Civic Center, and the remaining money to the county general fund for the Wicomico County Convention and Visitors Bureau. §§ 203-19 through 203-20.3.

**Mobile Home Tax:** § 169-14 through 169-20.

**Development Impact Fees:** Authority, Chapter 399 of 1992, § 203-22. The county does not currently impose development impact fees under this authority.

**Wicomico County Youth and Civic Center Fee:** User fee of 5% of the charge for a ticket to an event held at the civic center. Does not apply to trade shows and banquets. Revenue dedicated to the improvement of the civic center. §§ 203-24 and 203-25, LG § 20-607.

## Special Taxing Districts

**Special Benefit Districts:** May provide “public improvements and urban services.” Requires a petition signed by 25% of the property owners. The property owners then vote on the establishment of the district. The county council may also create a district on its own initiative. Different rates may be charged to different classes of property. A district may not be altered or abolished unless a petition is signed by a majority of the property owners. §§ 87-1 through 87-7.

**Urban Service Districts:** There is a Wicomico County Urban Services Commission. The commission provides the following services: water supply; sewage disposal; storm drainage and surface water drainage; curbing and guttering; street lighting; police protection; fire protection and garbage and trash collection and disposal. The district’s boundaries are the same as the county’s boundaries. The commission has condemnation authority. The commission does not provide services in areas where the service is already being provided by another government agency or a private utility. A district may be formed by the initiative of the commission, which action may be petitioned to referendum by the property owners. A district may also be created by petition of the property owners or by order of the Maryland Department of Health. A general ad valorem tax is authorized in addition to benefit charges calculated on a front foot or square footage basis. Tax sales may be used to collect any unpaid charges. §§ 97-1 through 97-30.

## Miscellaneous

**Tax Sales:** Properties are advertised for sale after March 1. Sale of personal property for nonpayment of taxes. §§ 29-5 through 29-8.

**Tax Certificate:** Statement of all taxes owed on a property. Collection of any tax not included on the certificate is barred from any purchaser of the property. § 29-13.

**Clean Energy Loan Program:** For commercial properties. §§ 30-1 through 30-7, LG §§ 1-1101 through 1-1110.

**Homestead Percentage:** § 90-5, TP § 9-105.

**Interest and Discount Rate:** §§ 203-3 and 203-4.

## Tax Credits

**Salisbury Arts and Entertainment District:** For commercial buildings constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise. Credit equals the amount of tax increase attributable to the renovation. Program sunsets on June 30, 2013, unless the district is renewed. § 90-6, TP § 9-240.

**Hotel or Multifamily Residential Development:** Property must be located in the development district and must increase the value of the property by at least \$10 million. § 90-7, TP § 9-324.

## Exemptions

**Manufacturing Equipment:** Total exemption. § 90-1, TP §§ 7-108 and 7-225.

**Manufactured Products:** Raw materials and manufactured products in the hands of a manufacturer are exempt. Effective for 10 years from 1971. Now obsolete because State law exempts all such property. §§ 203-6 and 203-7, TP § 7-226.

**Foreign Imports:** Foreign imports in the hands of the importer in the original package are exempt. §§ 203-15 through 203-18.

**Commercial Inventory:** Total exemption. § 203-21, TP §§ 7-108 and 7-222.





# Worcester County

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## Taxes

**Hotel Rental Tax:** “Hotel” is defined broadly to cover any rented sleeping space. Tax applies to a “hosting platform.” Tax applies only in “resort area.” Rate is capped at 5%; a rate in excess of 3% requires unanimous approval of the county commissioners. Revenue collected within a municipality goes to the municipality. The rest of the revenue goes to the General Fund of the county. TR § 1-601, LG Title 20, Subtitle 4.

**Recordation Tax:** TR § 1-701, TP § 12-102.

**Transfer Tax:** Code county. All State exemptions apply. Exemption for first \$50,000 of consideration for principal residence of the grantee. TR § 1-801, TP § 13-402.1.

**Food and Beverage Sales Tax:** The county may impose a tax on food and beverages in Ocean City at a rate not exceeding 1%. The tax does not apply to groceries, vending machines, or any sale that is exempt from the State sales tax. Does not apply to an alcoholic beverage sold for off premises consumption. Tax applies to food sold for consumption on the premises, food for immediate consumption, and snack food. Tax does not apply to soft drinks or candy. Revenue is dedicated to repaying bonds for the Roland Powell Convention Center. The tax terminates when the bonds are repaid or a later date provided by State law. TR § 1-901, LG § 20-602.

## Miscellaneous

**Tax Sales:** Sale must be held within two years after the taxes become in arrears. TR § 1-204. Sale of personal property. TR § 1-207.

**Personal Property Tax Liability Fee:** May be required for a business prior to its establishment to be credited against its first personal property tax payment. TR § 1-208, TP § 10-207.

**Homestead Percentage:** TR § 1-210, TP § 9-105.

## Tax Credits

**Brownfields:** TR § 1-303, TP § 9-229.

## **Exemptions**

**Manufacturing:** County may exempt land, buildings, and equipment of manufacturers from property tax. County may also exempt raw materials on hand and manufactured products while in the hands of the manufacturer. Duration of exemptions subject to county's discretion. TR § 1-301.

**Research and Development:** Personal property exemption. TR § 1-302.

# Appendices

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## Appendix 1. Statewide Optional Property Tax Credits

Tax-Property Article Citation	Description of the Credit	Counties that Have Granted the Credit
9-202	Cemetery property dwelling	Baltimore City
9-203	Energy Devices	Anne Arundel, Baltimore, Harford, Howard, Montgomery, and Prince George's
9-204	Historically valuable structures	Anne Arundel, Calvert, Howard, Montgomery, Prince George's, St. Mary's, and Washington
9-204.1	Restorations of historic properties	Allegany, Baltimore City, Baltimore, Cecil, Charles, and Howard
9-205	Manufacturing, etc. facilities	Frederick, Harford, and Prince George's,
9-206	Maryland Agricultural Land Preservation Foundation	Cecil, Howard, and Queen Anne's
9-207	Newly constructed dwellings	Howard and Prince George's
9-208	Open space or open area	
9-209	Operating properties of railroads	
9-210	Dwelling of spouse of fallen law enforcement or rescue worker	Anne Arundel, Baltimore City, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and St. Mary's
9-211	Residential flood damage	Howard
9-212	Tobacco barns	Prince George's and St. Mary's
9-213	Day care providers	Harford, Howard, and Montgomery
9-214	Family child care homes	Howard
9-215	Local Homeowners Tax Credit Supplement	Anne Arundel, Baltimore City, Baltimore, Calvert, Carroll, Charles, Frederick, Garrett, Harford, Howard, Kent, Montgomery, and Washington
9-216	Residential property in airport noise zones	Anne Arundel

<b>Tax-Property Article Citation</b>	<b>Description of the Credit</b>	<b>Counties that Have Granted the Credit</b>
9-217	Property with erosion control structures	Anne Arundel and Dorchester
9-219	Rental dwellings providing reduced rents	Montgomery
9-220	Conservation lands	Anne Arundel, Baltimore, Calvert, Carroll, Harford, Howard, Montgomery, Prince George's, and Queen Anne's
9-221	Offsets of local income tax increases	Baltimore City, Frederick, and Montgomery
9-222	Properties leased/used by religious groups	Anne Arundel, Howard, Montgomery, and Prince George's
9-224	Sediment control ponds/stormwater management	Carroll
9-225	Real property used by a municipality	Prince George's
9-226	Agricultural property subject to soil conservation and water quality plan	
9-227	Business personal property that is computer software	
9-228	Building accommodating advanced computer/telecom system	Baltimore City
9-229	Financial incentives for qualified brownfields sites	Allegany, Anne Arundel, Baltimore City, Baltimore, Cecil, Dorchester, Frederick, Howard, Montgomery, Prince George's, Queen Anne's, and Worcester
9-230	Businesses that create new jobs	Carroll, Frederick, Montgomery, and Washington
9-231	Foreign trade zones	Anne Arundel and Washington
9-232	Improvements with complete automatic fire protection/sprinkler	Allegany, Howard, Kent, Montgomery, and St. Mary's
9-233	Property of Audubon Naturalist Society	

<b>Tax-Property Article Citation</b>	<b>Description of the Credit</b>	<b>Counties that Have Granted the Credit</b>
9-234	Vacant or underutilized commercial buildings	
9-235	Amateur sport athletic fields	Howard
9-236	Rehabilitated property	Anne Arundel and Frederick
9-237	Property used for practicing dentistry in underserved areas	
9-238	Property owned by community associations	
9-239	Machinery/equipment of an electricity generation facility	
9-240	Buildings located in arts and entertainment districts	Baltimore City, Frederick, Montgomery, Queen Anne's, and Wicomico
9-241	Businesses that provide computers for employees for home use	Montgomery
9-242	High performance buildings	Anne Arundel, Baltimore City, Baltimore, Howard, Montgomery, Prince George's, and Washington
9-243	Repaired or reconstructed dwelling	
9-244	Nonprofit swim clubs	Montgomery and Prince George's
9-245	Individual at least 65 years old and of limited income	Dorchester, Frederick, Howard, Montgomery, St. Mary's, and Washington
9-246	Credit for replacement dwelling	
9-247	Property used as a publicly sponsored business incubator	Montgomery and Prince George's
9-248	Family assistance dwelling	
9-249	Commercial waterfront property	Somerset



<b>Tax-Property Article Citation</b>	<b>Description of the Credit</b>	<b>Counties that Have Granted the Credit</b>
9-250	Property equipped with accessibility features	Howard, Montgomery, and Prince George's
9-251	Marine trade waterfront property	
9-252	Habitat for Humanity property	Anne Arundel, Cecil, Charles, Harford, and St. Mary's
9-253	Urban agricultural property	Baltimore City, Montgomery, and Prince George's
9-254	Grocery store in low-income area	Prince George's
9-255	Neighborhood conservation areas	
9-256	Rehabilitation of commercial structures	Allegany
9-257	Personal property tax credit for new or small business	
9-258	Elderly individuals or veterans	Anne Arundel, Cecil, Frederick, Harford, Howard, Montgomery, Queen Anne's, and St. Mary's
9-259	Home in revitalization district	
9-260	Public safety officers	Anne Arundel, Howard, and Queen Anne's
9-261	Burial ground	
9-262	Dwelling of 911 specialist	Anne Arundel, Baltimore City, and Howard
9-263	Previously vacant opportunity zone property	
9-264	Public school robotics program	
9-265	Disabled veteran and surviving spouse	Anne Arundel and Frederick
9-266	Businesses affected by state of emergency	
9-267	Surviving spouse of fallen service member	

## Appendix 2. Quick Reference Guide to Local Transfer Taxes

**Counties in Which All the State Exemptions Apply:** Allegany, Anne Arundel, Caroline, Charles, Dorchester, Garrett, Harford, Kent, Queen Anne’s, St. Mary’s, Washington, Wicomico (does not currently impose the tax), and Worcester.

**Counties in Which the Exemptions Are Different from the State Exemptions:** Baltimore City, Baltimore, Cecil, Howard, Montgomery, Prince George’s, and Talbot.

County	State Authority	Local Codification	State Limit on Rate	Exemptions	Special Notes
Allegany	Tax-Property § 13-402.1 (code county)	County Code §§ 492-4 through 492-12	0.5% (code county)	All State exemptions apply. (code county) Exemption for first \$50,000 of the consideration payable for the principal residence of the grantee.	General fund revenue.
Anne Arundel	Chapter 610 of 1975, County Code § 4-3A-102	County Code §§ 4-3A-101 and 4-3A-102	The tax rate is generally capped at 1%. However, the county may increase the rate on transfers of \$1 million or more, except for affordable housing projects.	All State exemptions apply. There are also some additional county-specific exemptions.	Any revenue attributable to a tax rate in excess of 1% must be distributed to a special fund to be used for affordable housing.
Baltimore City	City Charter, Art. II § 40 (general taxing authority of the city)	City Code, Art. 28 §§ 17-1 through 17-16	None	There are many city-specific exemptions. Exemption for first \$22,000 of consideration for principal residence of	

<b>County</b>	<b>State Authority</b>	<b>Local Codification</b>	<b>State Limit on Rate</b>	<b>Exemptions</b>	<b>Special Notes</b>
				the grantee, if the total consideration payable is less than \$250,000.	
Baltimore	County Code, § 11-1-102 (general taxing authority of the county)	County Code, §§ 11-3-201 through 11-3-216	None	There are many county-specific exemptions. Exemption for the first \$22,000 of the consideration payable for the principal residence of the grantee.	
Caroline	Tax-Property § 13-402.1 (code county)	County Code, §§ 166-1 through 166-10	0.5% (code county)	All State exemptions apply. (code county) Exemption for first \$25,000 of the consideration payable for the principal residence of the grantee. If all the grantees are first time homebuyers, the first \$75,000 of the consideration payable is exempt.	Revenue goes to the Capital Improvement Fund, which is used for debt service, program open space, pay as you go capital costs, and emergency maintenance or repair costs. In a financial emergency, the fund may be used for other purposes.
Cecil	Chapter 626 of 1959, County Code § 202-1	County Code, § 202-1	Unclear. (See special notes)	There is a complete exemption from the tax for first-time homebuyers. There are no other exemptions from the tax other than those mandated	Tax is referred to as a “deed transfer fee.” § 202-1 is State law and provides the county authority to impose the transfer tax, although the

County	State Authority	Local Codification	State Limit on Rate	Exemptions	Special Notes
				by Tax-Property Title 13, Subtitle 4. The exemptions under Tax-Property § 13-207 do not apply.	county has also amended it in significant ways, without any apparent authority to do so.
Charles	Tax-Property § 13-402.1 (code county)	County Code, §§ 281-29 through 281-37	0.5% (code county)	All State exemptions apply. (code county)	General fund revenue.
Dorchester	Chapter 715 of 1994, County Code § 10-8.2	County Code, § 10-8.2 and § 144-20	1%	All State exemptions apply. Exemption for first \$30,000 of consideration payable for principal residence of the grantee.	Revenue is dedicated to the county courthouse building and school buildings.
Garrett	Chapter 544 of 1992, County Code § 37.002	County Code § 37.002 and §§ 37.115 through 37.118	1%	All State exemptions apply. The first \$50,000 of consideration is exempt. Property subject to the State agricultural land transfer tax is exempt.	
Harford	Chapter 423 of 1992, County Code §§ 123-50 through 123-53	County Code §§ 123-50 through 123-53	Rate fixed at 1%.	All State exemptions apply. Properties subject to agricultural land transfer tax also exempt. Exemption for first \$30,000 of consideration payable for principal residence of the grantee.	Revenue is distributed 50% to agricultural land preservation and 50% to school site acquisition or school construction.

County	State Authority	Local Codification	State Limit on Rate	Exemptions	Special Notes
				The county council may, by law, provide for exemptions or credits against the transfer tax.	
Howard	Chapter 515 of 1965 and Chapter 256 of 1968, County Code §§ 20.300 through 20.305	County Code §§ 20.300 through 20.305	1% of the tax rate is fixed by State law and dedicated to certain purposes. The county is authorized to raise the rate but the increased revenue must be dedicated to certain purposes.	There are exemptions for transfers to government entities, nonprofit hospitals, or religious or charitable organizations, and moderate-income housing units. Teachers, law enforcement officers, and fire and rescue services members who are first time homebuyers are exempt; subsequent purchases by these individuals receive a discount.	County law specifies that transfer tax revenue must be used for certain purposes.
Kent	Tax-Property § 13-402.1 (code county)	County Code, §§ 152-12 through 152-15	0.5% (code county)	All State exemptions apply. (code county) Conveyances to the government, a nonprofit hospital or a religious or charitable organization are also exempt.	

<b>County</b>	<b>State Authority</b>	<b>Local Codification</b>	<b>State Limit on Rate</b>	<b>Exemptions</b>	<b>Special Notes</b>
Montgomery	Chapter 180 of 1961, County Code § 52-30	County Code §§ 52-29 through 52-38	There are different rates that are authorized for different types of transfers. Maximum authorized rates range from 1% to 6%. Transfers of agricultural land may be taxed up to 6%. The county has created tiered rates for residential property based on the amount of consideration, with progressively higher rates applying to more valuable property. Agricultural land is subject to different rates depending on how long the property has been in agricultural use. There are other special rates for certain types of transfers.	There are many county-specific exemptions. Transfers to nonprofits and governmental entities are exempt by the State enabling law. The county is authorized to create additional exemptions. Transfers by will or descent and transfers to relatives or domestic partners are exempt.	The scope of the tax is slightly different than in other counties. The tax applies, for example, to an “initial transfer of stock or other evidence of ownership in a cooperative housing corporation or similar entity.”
Prince George’s	Chapter 784 of 1957, County Code § 10-187	County Code, §§ 10-188 through 10-191	1.4%	There are many county-specific exemptions. Exemptions for conveyances to the State or a political subdivision, conveyances between husband and wife, purchase money	The scope of the tax is different than in other counties because the tax applies to mortgages and deeds of trust. Tax revenue is dedicated to education.

County	State Authority	Local Codification	State Limit on Rate	Exemptions	Special Notes
				mortgages or purchase money deeds of trust, and mortgages on property owned by religious groups, among others. There are exemptions or reduced rates for sales of principal residences to classroom teachers, police officers, and deputy sheriffs employed by the county.	
Queen Anne's	Tax-Property § 13-402.1 (code county)	County Code, § 5-11	0.5% (code county)	All State exemptions apply. (code county)	Seller must pay the entire tax in a sale to a first-time home buyer, unless there is an agreement to the contrary.
St. Mary's	Chapter 599 of 1990, County Code § 138-1	County Code, § 138-1 and §§ 267-32 through 267-43.1	1%	All State exemptions apply. Exemption for transfers subject to the agricultural land transfer tax. Exemption for first \$30,000 of consideration for principal residence of the grantee.	The revenue is dedicated to capital projects. Authority for the tax expires on October 1, 2024.

County	State Authority	Local Codification	State Limit on Rate	Exemptions	Special Notes
Talbot	Chapter 672 of 1987, as amended by Chapter 606 of 1992	County Code, §§ 172-17 through 172-21	Maximum rate is 1% under Chapter 672 of 1987 and increased to 1.5% under Chapter 606 of 1992. Uncodified language in Chapter 606 says that the higher tax rate remains authorized until the county's property tax cap is "repealed or amended," at which point the maximum authorized rate reverts to 1%. (The tax is currently imposed at a rate of 1%.)	Conveyances by or to governmental entities are exempt. The first \$50,000 of consideration is exempt.	
Washington	For the general transfer tax, Chapter 468 of 2003, Public Local Laws § 2-702; For the agricultural land transfer tax, Title 13, Subtitle 5 of the Tax-Property Article	Public Local Laws, § 2-702 (general transfer tax)	1% for the general transfer tax; 2% for the agricultural land transfer tax	All State exemption apply to the general transfer tax. The general tax does not apply to land subject to agricultural land transfer tax. The county commissioners are authorized to provide additional exemptions from the	County may only impose the general transfer tax if it also imposes a building excise tax. Revenue from the general tax is dedicated to school construction, public safety, transportation, debt reduction, and agricultural land



County	State Authority	Local Codification	State Limit on Rate	Exemptions	Special Notes
				general transfer tax, including for first time homebuyers, seniors moving to less expensive housing, affordable housing, redevelopment of property inside urban growth areas.	preservation. Revenue from the agricultural land transfer tax must be used to purchase development rights on agricultural land.
Wicomico	<u>The county does not currently impose a transfer tax</u> , but it is authorized to do so under Chapter 399 of 1992, County Code § 203-23	County Code § 203-23	1%	All State exemptions apply. Transfers subject to the State agricultural land transfer tax are exempt.	Local legislation imposing the tax was petitioned to referendum in 2000 and rejected by the voters.
Worcester	Tax-Property § 13-402.1 (code county)	County Code, TR § 1-801	0.5% (code county)	All State exemptions apply. (code county) Exemption for the first \$50,000 of consideration payable for principal residence of the grantee.	