



House Bill 69

Personal Property Tax – Credit for New or Small Business

MACo Position: **SUPPORT**

Date: March 29, 2016

To: Budget and Taxation Committee

From: Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 69. This bill would authorize local jurisdictions to grant a personal property tax credit to a new business entity or a business entity with 15 or fewer employees operating within the jurisdiction.

MACo has supported legislation in the past to provide broad authority to enact tax incentives for economic development and tax relief purposes and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. The approach offered by HB 69 is preferred as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

HB 69 authorizes counties to enact a personal property tax credit, determine the amount and duration, and apply additional eligibility criteria as necessary. This will allow each jurisdiction that enacts the credit to tailor it to the specific needs of businesses to achieve the economic development goals of the county.

MACo believes this legislation is pro-business and will promote economic development. For these reasons, MACo urges the Committee to give HB 69 a **FAVORABLE** report.