

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
1998 Legislative Session

Bill No. CB-80-1998
 Chapter No. 57
 Proposed and Presented by Chairman (by request – County Executive)
 Introduced by Council Members Bailey, Del Giudice, Scott and Gourdine
 Co-Sponsors _____
 Date of Introduction June 23, 1998

BILL

1 AN ACT concerning

2 Tax Exemptions for Research and Development

3 For the purpose of repealing obsolete provisions of the Code pertaining to tax credits for certain
 4 personal property used in research and development and establishing a certain tax exemption for
 5 such property increasing the maximum exemption from 50 percent to 75 percent.

6 BY repealing and reenacting with amendments:

7 SUBTITLE 10. FINANCE AND TAXATION.

8 Section 10-235.04,

9 The Prince George's County Code

10 (1995 Edition, 1997 Supplement).

11 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 12 Maryland, that Section 10-235.04 of the Prince George's County Code be and the same is hereby
 13 repealed and reenacted with the following amendments:

14 SUBTITLE 10. FINANCE AND TAXATION.

15 DIVISION 8. TAX ASSESSMENT, LEVY AND COLLECTION.

16 Subdivision 5C. Research and Development [Tax Credit] Personal Property Tax
 17 Exemption.

18 Sec. 10-235.04. Tax [credit] exemption for research and development personal property
 19 established.

20 [(a) There is hereby established a property tax credit against the County property tax
 21 imposed on machinery, equipment, materials, and supplies:

- (1) That are consumed in or used primarily in research and development; and
- (2) The sale or use of which is exempt from the sales and use tax under Section 11-210 or Section 11-217 of the Tax-General Article of the Annotated Code of Maryland.

(b) As used in this Section, "research and development" means:

- (1) Basic and applied research in the sciences and engineering; and
- (2) The design, development, and governmentally required premarket testing of prototypes, products, and processes.

(c) As used in this Section, "research and development" does not include:

- (1) Market research;
- (2) Research in the social sciences or psychology and other nontechnical activities;
- (3) Routine product testing;
- (4) Sales services;
- (5) Technical and nontechnical services; or
- (6) Research and development of a public utility.

(d) The amount of the tax credit granted hereby is equal to the County property tax imposed on the assessment of the property described in Subsection (a), above, in excess of 25% of the original cost of the property.

(e) Application for the tax credit established herein shall be made in the manner prescribed by regulations adopted by the Department of Assessments and Taxation of the State of Maryland.]

(a) All machinery, equipment, materials and supplies are subject to a partial exemption from property tax if consumed in or used primarily in research and development, as defined in Section 1-101 of the Tax-Property Article of the Annotated Code of Maryland.

(b) The partial exemption shall only apply to property purchased in or transferred into the County after December 1, 1998.

(c) The amount of the tax exemption granted herein is equal to seventy-five percent 75% of the assessment of the property described in Subsection (a), above.

(d) Application for the tax exemption established herein shall be made in the manner prescribed by regulations adopted by the Department of Assessments and Taxation of the State of Maryland.

1 SECTION 2. BE IT FURTHER ENACTED that the tax exemption established in Section
2 10-235.04 shall be granted only for applications filed on or before July 1, 2001.

3 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
4 calendar days after it becomes law.

Adopted this 28th day of July, 1998.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Ronald V. Russell
Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Wayne K. Curry
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.

Asterisks *** indicate intervening existing Code provisions that remain unchanged.