

## **Frequently Asked Questions Personal Property Taxes**

### **What is personal property?**

In Maryland there is a tax on business owned personal property which is imposed and collected by local governments. In order to foster the uniform and consistent administration of this tax, responsibility for the assessment of all personal property throughout Maryland rests with a single State agency, the Department of Assessments and Taxation (SDAT). Personal property generally includes furniture, fixtures, office and industrial equipment, machinery, tools, and any other property not classified as real property or licensed vehicles.

### **Please explain the time-line of the Fiscal Year billing.**

Personal property taxes are collected during the County Fiscal Year beginning July 1 and ending June 30. The taxpayer is liable for the full amount of the tax billed, if the taxpayer operated the business on the January 1 immediately preceding the beginning of the Fiscal Year. The tax is based on an assessment certified to the County by the State Department of Assessments and Taxation. The assessment is derived from a personal property return that is due to be filed with the SDAT on or before April 15<sup>th</sup> and which reports, as of January 1 immediately preceding the Fiscal Year, the value of your personal property.

### **I received an estimated personal property tax bill that is double of what I paid last year. Why did I receive this bill and how can it be corrected?**

If a personal property tax return is not filed, the value of your personal property is estimated by the SDAT. An estimated assessment may be up to twice the value of the personal property on record. This will cause your bill to be doubled. In order to resolve this matter, the taxpayer must contact the State Department of Assessments (information provided below) to file a return to correct the estimated assessment or report a closure of the business or transfer of such property.

### **What is the tax rate? How is my bill calculated?**

The tax rate is established each fiscal year by the annual budget process. The bill is calculated by multiplying the tax rate by the certified assessment. The rate of interest on delinquencies is 1% of the unpaid principal, per month or portion of a month until paid.

### **How do I change the address on my bill?**

The taxpayer must notify in writing, both the Anne Arundel County Office of Finance and the State Department of Assessments of all address changes. Notification will allow the Finance Office to forward any current or previous bills to the new address. The State

Department of Assessments will change the address of the account to assure all future billings and notices are received.

**I never opened my business or I am out of business but keep getting bills, what do I do?**

If you have ceased operations or sold the business, you must report that action to the State Department of Assessments and Taxation. Failure to make any required report will result in your continued liability to pay personal property taxes even if you no longer own the business and/or its assets.

**How do I reach the State Department of Assessments?**

The SDAT may be reached at:

301 W. Preston Street  
Baltimore, MD 21201

<http://www.dat.state.md.us>

Incorporated Division: 410-767-1170  
Unincorporated Division: 410-767-4991  
Toll-free Number : 1-888-246-5941