

## No. 28

(House Joint Resolution 43)

House Joint Resolution to request the appointment of a Commission REQUESTING THE LEGISLATIVE COUNCIL'S COMMITTEE ON TAXATION AND FISCAL MATTERS to make recommendations on criteria to be used in equitable taxation of farmland and woodlands.

WHEREAS, The paramount importance of agriculture to the State of Maryland is recognized; and

WHEREAS, Farmland taxes should be related to income earned from the land or its use value rather than the inflated value of the land which has no bearing on the ability of the farm to pay real estate taxes until the year when the land is sold; and

WHEREAS, Farm real estate taxes presently take 22% of farm cash net income, while all non-farm state and local taxes in 1961 approximated 8% of non-farm personal income; and

WHEREAS, In 1960 total property taxes accounted for 42% of all taxes in Maryland as compared with 21% in Delaware, 29% in West Virginia, 35% in Pennsylvania and 38% in Virginia; and

WHEREAS, Changes in economic factors may indicate the need for different guides in farmland assessment to insure uniformity; and

WHEREAS, Maryland is one of the few states without a capital gains tax, and the Maryland State Grange and Maryland Farm Bureau, have made sound recommendations for such a capital gains tax based on ability to pay when the farmland is sold; now, therefore, be it

*Resolved by the General Assembly of Maryland, That there be created a study commission to be known as the "Commission on Equitable Taxation on Farm Land," the membership of which shall be composed of nine persons, all appointed by the Governor, of which shall be included two members of the House of Delegates, one member of the Senate of Maryland, two members from the faculty of the University of Maryland, two members from the State Department of Assessments and Taxation, one member from Farm Bureau, one member from the Grange, and the members from the General Assembly shall be selected, one from the Eastern Shore, one from Western Maryland, and one from Southern Maryland; and be it further*

*Resolved, That this Study Commission be authorized and directed to study and report to the Legislature on recommendations for equitable farm and forest land taxation.*

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, THAT THE LEGISLATIVE COUNCIL BE REQUESTED TO INSTRUCT ITS COMMITTEE ON TAXATION AND FISCAL MATTERS TO STUDY AND REPORT TO THE LEGISLATIVE COUNCIL ITS RECOMMENDATIONS ON CRITERIA TO BE USED FOR EQUITABLE TAX OF FARM LAND AND WOODLAND.

Approved May 6, 1963.