

No. 63

(Senate Joint Resolution 11)

Senate Joint Resolution requesting the Legislative Council and its Committee on Taxation and Fiscal Matters to undertake an extensive study and review of property tax exemptions AND CREDITS.

The members of the General Assembly are concerned over the increasing number of exemptions to property taxation. Particular concern has been expressed over those exemptions that are granted in an organization's name rather than by use of the property.

The Department of Assessments and Taxation has estimated that tax exemptions for real property amount to \$3,682,683,000 as of June 30, 1969. Of this amount eighty percent is for government-owned property.

In reviewing the information from the Department of Assessments and Taxation the Committee on Taxation and Fiscal Matters of the Legislative Council suggested that an extensive study is needed to develop general statutory language for these exemptions to replace the exemptions now described by organization name and to determine if any harm will result from changing the wording of the exemptions.

Although the validity of any specific exemption is not being questioned the increasing costs of government necessitate close scrutiny of any exemptions that reduce revenues. Property that is tax exempt requires governmental services in a manner similar to taxable property and equitable taxation demands no special treatment of any group of taxpayers without justification **SIMILAR CONCERNS SUGGEST THE NEED FOR SCRUTINY AND EVALUATION OF THE STATE'S POLICY AND PRACTICES WITH RESPECT TO TAX CREDITS.**

The Committee on Taxation and Fiscal Matters has directed the Department of Fiscal Services in conjunction with the Department of Assessments and Taxation and the Attorney General's office to thoroughly review and analyze the exemptions from property taxation contained in Section 9 of Article 81 of the Maryland Code and to report the findings and recommendations to the Committee on Taxation and Fiscal Matters by May 1, 1970, so that the Committee may undertake the extensive hearings and discussion required to bring about an effective revision of this section; now, therefore be it

Resolved by the General Assembly of Maryland, That the Legislative Council is requested to have its Committee on Taxation and Fiscal Matters study, analyze and evaluate existing property tax exemptions AND CREDITS in the state; and be it further

Resolved, That the Committee on Taxation and Fiscal Matters and the Legislative Council are requested to report the results of the study, together with any recommendations which may be appropriate, to the General Assembly of 1971; and be it further

Resolved, That copies of this Resolution are sent to the Directors of the Departments of Fiscal Services and Assessments and Taxation, the Attorney General of Maryland, and the Secretary of the Legislative Council.

Approved April 28, 1970.