

in order to challenge the assessment on the basis of the capitalization of income method at subsequent levels of appeal; and requiring certain notice to certain taxpayers.

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes  
Section 14(e)  
Annotated Code of Maryland  
(1980 Replacement Volume and 1983 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 81 - Revenue and Taxes

14.

(e) In determining the value of real property which produces income, except for agricultural use property, all assessing authorities may value the property by means of the capitalization of income method, in addition to any other appropriate method of valuing the property. The assessing authority shall notify all taxpayers of this property to complete, under the penalty of perjury, by not later than July 15, an income and expense statement for the property, on a form prepared by the State Department of Assessments and Taxation. WHEN NOTIFYING TAXPAYERS OF THEIR OBLIGATION TO FILE--INCOME--AND EXPENSE--STATEMENTS,--THE ASSESSING AUTHORITY SHALL INDICATE THAT FAILURE TO PROVIDE THE INFORMATION AT THE SUPERVISOR'S--LEVEL--OF APPEAL--WILL--LIMIT--THE--NATURE--OF--LATER--APPEALS--WHICH MIGHT OTHERWISE BE AVAILABLE. In lieu of the statement, the assessing authority may accept the most recent annual income and expense statement of the taxpayer when it is verified as to accuracy and completeness by the taxpayer under penalty of perjury. Under either method, the assessing authority need not accept the expenses or depreciation claimed by the taxpayer and may use other appropriate methods to determine correct expenses and/or depreciation. In case of the failure of a taxpayer to file the income and expense information after having been notified, the taxpayer may not challenge the valuation on the basis of the capitalization of income method beyond the first level of appeal, which is with a supervisor of assessments or the supervisor's designated representative, unless the taxpayer provides the appropriate income and expense data at [that] THE SUPERVISOR'S level of appeal WHEN NOTIFYING TAXPAYERS OF THEIR SUPERVISOR'S LEVEL APPEAL, THE DEPARTMENT SHALL INDICATE THAT FAILURE TO PROVIDE THE INCOME AND EXPENSE INFORMATION AT THE SUPERVISOR'S LEVEL OF APPEAL WILL PROHIBIT A CHALLENGE OF THE ASSESSMENT BASED UPON THE CAPITALIZATION OF INCOME AT LATER AVAILABLE APPEAL LEVELS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1984.