
**HEAVY EQUIPMENT RENTAL GROSS RECEIPTS TAX
ANNUAL REPORT AND QUARTERLY TAX RETURN**

Revised July 1, 2023

1) GENERAL INFORMATION

Heavy Equipment Tax Reform Act of 2010 requires a person whose principal business is the short-term lease or rental of heavy equipment property to submit to the County where the heavy equipment rental business is located, a list of all personal property, including the original cost and date of acquisition of the property, that is subject to the 2% gross receipts tax and is exempt from the property tax under §7-243 of the Tax-Property Article of the Annotated Code of Maryland.

Annotated Code of Maryland Article 24, Section 9-609 (A) (4) defines:

- (I) "Heavy Equipment Property" means construction, earthmoving, or industrial equipment that is mobile including any attachment for the heavy equipment. It includes:
 - 1. A self-propelled vehicle that is not designed to be driven on a highway; or
 - 2. Industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment, or other similar industrial equipment.
- (II) "Short-term lease or rental," means the lease or rental of heavy equipment property for a period of 365 days or less.

Annotated Code of Maryland Article 24, Section 9-609 (B) (3) states:

A person is in the principal business of short-term lease or rental of heavy equipment if:

- (I) The largest segment of total rental receipts of the business is from the short-term lease or rental of heavy equipment property; and
- (II) The business is described under Code 532412 of the North American Industry Classification System (NAICS) as published by the United States Census Bureau.

A Person who owns a business with gross receipts subject to this tax shall collect the tax from the rental customer and remit the tax to the County in which the business or branch is located.

2) ACCOUNT NUMBERS AND QUESTIONS

Account numbers shall be the same as personal property account numbers. For questions related to heavy equipment gross receipt tax and submission of tax return, contact the Division of Treasury, 255 Rockville Pike, Suite L-15, Rockville, Maryland 20850, Telephone (240) 777-8994.

3) SCHEDULED DUE DATES AND OTHER KEY DATES: (beginning July 2011)

Annual report form including a detailed list of heavy equipment which is exempt from personal property tax, but subject to the heavy equipment gross receipts tax must be submitted to the County no later than July 31st of each year.

Quarterly returns and remittance must be filed on or before the last day of the month, covering the immediate preceding quarter. A return must be filed even if zero rental receipts are due.

<u>For Months Of:</u>	<u>Returns Due ON or BEFORE:</u>
July, August, September	October 31st
October, November, December	January 31st
January, February, March	April 30th
April, May, June	July 31st

The County shall provide a statement and a bill if applicable, to each person who owns a business with gross receipts subject to the tax on or before February 28th of each year that includes the shortage or surplus between the total gross receipts tax remitted and the total property tax calculated for the exempt property that would have been due.

A gross receipts shortage amount must be paid to the County on or before March 31st of each year.

4) INTEREST AND PENALTIES

Avoid penalties and interest by filing correct returns on time and by paying the correct tax due with your tax return. The law provides for interest and penalty of 1 2/3% of the tax per month or part of a month for late filing of returns or for failure to make timely remittances of tax due. Penalties are also imposed by law for making false statements, and for willful failure to pay, keep records, or file returns.

5) RECORDS

Copies of your returns and all records and information in support of all returns, should be maintained at your principal place of business or other convenient location for a period of at least two (2) years from the date of the tax return. Such records should be available and open to inspection by the Director of Finance or an authorized representative.

6) NO EXEMPTIONS FROM TAX

The gross receipts tax is meant to replace the business personal property tax. No exemption is granted to Federal, State, County, Municipal or Non-Profit organizations. Sales and use tax exemptions do not apply to the gross receipts tax.

7) RATE OF TAX (Effective December 31, 2010)

The Heavy Equipment Tax Reform Act of 2010 under Article 24, Section 9-609 of the Annotated Code of Maryland imposed a 2% gross receipts tax from the short-term lease or rental of heavy equipment property.