COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Denis and Praisner

AN ACT to:
(1) implement the County’s authority under State law to promote telecommuting and access to computers by providing a tax incentive;
(2) provide a personal property tax credit for an employer that purchases a new home computer or new laptop computer to be used for business purposes telecommuting; and
(3) generally amend County law regarding County taxes on personal property.

By adding
Montgomery County Code
Chapter 52, Taxes
Section [[52-18N]] 52-18O

The County Council for Montgomery County, Maryland approves the following Act:
Section 1. Section [[52-18N]] 52-18O is added as follows:

[[52-18N]] 52-18O. Employee Home Computer Telecommuting Incentive.

(a) An employer may receive an annual personal property tax credit up to $2,000 against the County personal property tax for the purchase of a new home computer or new laptop computer to establish a new off-site employee workstation to be used for business purposes, if the computer is purchased after December 31, 2004. This tax credit does not apply to the operating personal property of a public utility.

(b) The amount of the tax credit must not exceed 50% of the cost of each new home computer or new laptop computer. The aggregate tax credit allowed for any taxpayer in any tax year must not exceed $2,000.

(c) The Department of Finance must administer this credit. The Department must allow each tax credit in the order in which the Department receives the application for the credit.

(d) The total amount of credits allowed in each calendar year must not exceed:

1. $100,000 in 2006;
2. $175,000 in 2007; and
3. $250,000 in 2008.

Starting in 2009, the County Council must set the total amount of credits allowed in each future year by resolution. If the Council takes no action for any year, the amount allowed for the prior year also applies to that year.

(e) An employer is eligible for and must apply for the tax credit within 12 months after a new computer purchase in the calendar year in which a computer is purchased. The tax credit must be applied in the tax year of the purchase or the following tax year. The employer must:
(1) show that the computer will be used for [[business purposes]]
telecommuting;

(2) affirm that the employee works at home at least [[52]] 78 days per
    calendar year or an alternative minimum number of days set by
    regulation; and

(3) document the date of purchase and the cost of the computer.

[(e)] (f) The County Executive must adopt regulations under method 2 to
    implement this Section.

[(f)] (g) The County Executive or a designee must report annually to the
    County Council on the use of the tax credit and provide information on
    the number of employees telecommuting under this credit.

Approved:

George Leventhal, Vice President, County Council

Approved:

Douglas M. Duncan, County Executive

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council