

Bill No. 6-04
Concerning: Personal Property Business
Tax Credit – ~~[[Employee]]~~ Home
Computer Telecommuting Incentive
Revised: October 25, 2005 Draft No. 6
Introduced: March 9, 2004
Enacted: October 25, 2005
Executive: Returned unsigned
Effective: November 8, 2005
Sunset Date: None
Ch. 27, Laws of Mont. Co. 2005

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

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[[Single boldface brackets]]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Section 1. Section ~~[[52-18N]] 52-18O~~ is added as follows:**

2 ~~[[52-18N]] 52-18O. ~~[[Employee]] Home Computer Telecommuting Incentive.~~~~

3 (a) An employer may receive an annual ~~[[personal property]] tax credit ~~[[up to~~~~
 4 ~~[\$2,000]] against the ~~[[general]] County personal property tax for the~~~~
 5 ~~purchase of a new home computer or new laptop computer ~~[[for]] to~~~~
 6 ~~establish ~~[[an]] a new off-site employee workstation ~~[[to be used for~~~~~~
 7 ~~business purposes]], if the computer is purchased ~~[[on or]] after December~~~~
 8 ~~31, ~~[[2004]] 2005. This tax credit does not apply to the operating personal~~~~
 9 ~~property of a public utility.~~

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

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

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

17 (1) \$100,000 in 2006;

18 (2) \$175,000 in 2007; and

19 (3) \$250,000 in 2008.

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

23 ~~[[d]]~~ (e) An employer is eligible for and must apply for the tax credit within 12
 24 ~~months after a new computer purchase ~~[[in the calendar year in which a~~~~
 25 ~~computer is purchased]]. The tax credit must be applied in the tax year of~~
 26 ~~the purchase or the following tax year. The employer must:~~

27 (1) show that the computer will be used for ~~[[business purposes]]~~
28 telecommuting;

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

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

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

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

38 *Approved:*

39

George Leventhal, Vice President, County Council

Date

40 *Approved:*

41

Douglas M. Duncan, County Executive

Date

42 *This is a correct copy of Council action.*

43

Linda M. Lauer, Clerk of the Council

Date