

TAX TALK

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FROM THE CHAIR

By James W. Dawson, Jr.

This year promises to be an exciting one for the Tax Section. I am pleased to introduce the other officers of the Tax Section for the 2007-2008 fiscal year: Caroline Ciralo is the Vice-Chair and Jessica R. Lubar is the Secretary/Treasurer. Elected to their second term on the Council are Herman B. Rosenthal and David J. Polashuk. G. Evans Hubbard II was elected to his first full term and we welcome two new members to the Council this year – W. Randolph “Randy” Shump and Casey Lothamer. I want to congratulate and thank Bryan Young for his dedication to the Section and the excellent job he did as last year’s Chair. The Section has continued to expand its services to its members and to the community. I hope to follow in the footsteps of my distinguished predecessors.

Every year in the Summer edition of Tax Talk we publish a summary of the Maryland tax legislation. This year, only a brief summary of the legislation that was signed by Governor O’Malley made it into that edition. Depending on who you believe — the newspapers, the radio, or comments out of Annapolis — you know that the State could be facing a structural deficit ranging in an amount of \$.5 to \$1.5 billion for fiscal year 2008-2009. The Governor’s office opted not to address the predicted deficit during the 2007 legislative session and has vowed to address it during the recess and in the next session.

As I sit here writing this article I am surprised by the “deafening” silence in Annapolis. The questions that come immediately to mind are: “Has a deal been struck between the Governor and the leaders of the General Assembly?” or “Do they even know where to begin to address the deficit?” Personally, I believe the answer is somewhere in between.

The recent past, albeit under a prior Administration, provides a glimpse of what we can expect. There will be an

almost immediate reduction in State expenditures, and in fact, the Governor has already announced steps to reduce State spending. According to *The Gazette* (Friday, July 6, 2007), Governor O’Malley will seek Board of Public Works approval to cut about \$200 million from State agencies. With representatives from several Wall Street bond rating agencies scheduled to visit Maryland to discuss the State’s fiscal situation, the Administration and leaders of the General Assembly will need to assure these agencies that there is a strong fiscal policy in place if the State wants to preserve its cherished triple A bond rating.

The Administration is going to need to find new sources of funding. These new sources will probably be found in the form of increased user fees, an increase in the tax rates or tax base, or a combination thereof. This provides a good segue into this edition of Tax Talk. This edition contains a synopsis of the 2007 Maryland tax legislation. As you will note as you peruse the synopsis, most proposed tax bills were not passed this year. However, these bills provide a good indication of what is on the horizon with respect to ways to attack the budget deficit. The Administration, the leaders of the General Assembly, and the Chairs and Vice-Chairs of the Senate Budget and Tax and House Ways and Means Committees are now armed with a plethora of information on these bills, including the public reaction, fiscal notes, and agency positions.

While all we can do is speculate as to how the deficit will be addressed, there appears to be several “front runner” approaches. First and foremost, is a likely increase in the sales and use tax rate from 5% to 6%. Second, which could be coupled with an increase in the tax rate, is an expansion of the services that are subject to the sales and use tax. Bills intro-

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duced in 2007 proposed taxing such services as haircuts, manicures, tanning facilities, tattoos and body piercing, interior decorating and many more personal and professional services – even accounting and legal services. Third, is an income tax surcharge for high-income taxpayers similar to the temporary surcharge that was enacted in the early 1990's.

One of the objectives of the Council this year is to develop a partnership with the Administration, General Assembly, and State agencies. The purpose of this partnership is to work with our leaders to develop sound tax policies and assist in the review and evaluation of proposed and pending tax legislation. Instead of being reactive to legislation after it has been introduced, we want to work with the bill sponsors and leaders to provide constructive comments on proposed tax legislation to identify potential administrative or implementation issues and, whenever possible, provide suggestions or clarifying language. The Tax Section is comprised of seasoned practitioners who understand that tax policy is the responsibility of our elected officials, but who are willing to work with them to ensure that the tax bills passed are, among other things, void of ambiguities and provide for ease of administration and compliance.

I would be amiss if I did not take this opportunity to provide information on upcoming Section events. The Le-

gal Education Committee put together an insightful program on the tax aspects of payments and receipts of damages in settlements, verdicts, and conflict resolution at the MSBA Annual Meeting, Joint Bench/Bar Conference held last month in Ocean City. Before the great successes of the program were even known, we were contacted by the Litigation Section asking if we would like to participate in a joint meeting in the fall to present an encore performance. The Section will be co-sponsoring a joint CLE program with the Litigation Section in October. In November, the Advanced Tax Institute will be held November 5-9, 2007 at Martin's West in Baltimore, followed soon thereafter by the Tax Networking Night. The CASH campaign (formerly known as the "Tax Clinic") will begin in January with training and continue throughout the filing season. MVLS is always looking for professionals to assist in the preparation of income tax returns for low income taxpayers. The Annual Irving Shulbank Dinner and presentation of the Tax Excellence Award and the Pro Bono Award will again be held in May. Look for additional information on these and other Section events in the upcoming issues of Tax Talk, the Bar Bulletin, on the Section's website, and through the Section Listserv.

Best wishes to everyone for a safe and enjoyable summer.



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SUMMARY OF MARYLAND 2007 STATE TAX LEGISLATION – THE TAX LAWYER’S PERSPECTIVE

By Jessica R. Lubar, Esquire
Miles & Stockbridge, PC

This session saw the introduction of many bills addressing tax and revenue increases and many provisions dealing with credits. However, not many were passed. It is fair to say that we should expect to see most, if not all, of the failed revenue raising provisions in the next legislative session. What will happen to the bills providing for tax credits or subtraction modifications is less certain. In general, the tax credit/reduction bills focused on three primary areas: education, environment and health care. There was also a bill that addressed the interest rate charged by the state on underpayments of tax. The revenue raising provisions were all across the board but of particular note were bills raising the sales tax rate and bills increasing the services covered by the sales tax. The General Assembly again considered recoupling the Maryland Estate Tax to the federal estate tax exemption amount. One piece of legislation that did pass was a repeal of the withholding requirement for payments to non-resident contract.

SUBJECT	HOUSE BILL SENATE BILL	TITLE	SYNOPSIS	STATUS
Admission and Amusement Tax	HB 414 SB 521 (crossfiled)	Admissions and Amusement Tax - Food and Beverages	Authorizing a municipal corporation to impose an admissions and amusement tax on the sale of specified food and beverages; altering specified limits and providing specified limits on a county's or municipal corporation's authority to impose an admissions and amusement tax; establishing a maximum tax rate on specified gross receipts that are subject to the admissions and amusement tax; etc.	Failed Legislation
Assessments and Taxation, Department of	SB 616	Land Preservation and School Construction Assistance Act of 2007	Imposing recordation and transfer taxes on the transfer of controlling interest in a corporation, partnership, association, limited liability company, limited liability partnership, other unincorporated form of doing business, or a trust that owns interests in real property in Maryland that constitute at least 80% of the value of its assets and has an aggregate value of at least \$500,000; etc.	Failed Legislation
Assessments and Taxation, Department of	SB 976	Business and Economic Development - Biotechnology Investment Incentive Act	Altering eligibility criteria and requirements for claiming a credit against the State income tax for investments in specified biotechnology businesses; prohibiting the certification of credits for investments in a single company for any fiscal year in excess of 15% of the total appropriations to the Reserve Fund for the fiscal year; providing that the credit may be claimed over 2 taxable years, beginning with the second year after the taxable year in which the investment was made; etc.	Failed Legislation
Assessments and Taxation, Department of	HB 983 SB 614 (crossfiled)	Economic Development and Tax Incentive Act	Requiring the State Department of Assessments and Taxation to submit a Unified Property Tax Exemption and Credit Report on or before a specified date each year; specifying the contents of the property tax report; requiring the State Department of Assessments and Taxation to publish the property tax report in both written and electronic formats; requiring the Department of Business and Economic Development to submit a Unified Economic Development and Tax Incentive Report on or before a specified date each year; etc.	Failed Legislation
Comptroller	SB 1033	Tax Credits for Individuals Facing Employment Barriers - Sunset Extension	Extending by 1 year termination provisions and dates of applicability for specified tax credits allowed to employers that hire specified qualified employment opportunity employees or specified qualifying individuals with disabilities; recodifying related provisions of laws; etc.	Became Law-Governor Signed (chapter 370)
Comptroller	HB 580 SB622 (crossfiled)	Ground Rents - Registry of Properties Subject to Ground Leases	Authorizing the recordation of a specified ground lease extinguishment certificate under specified circumstances; requiring the State Department of Assessments and Taxation to maintain an on-line registry of properties that are subject to ground leases; requiring a ground lease holder to register a ground lease with the Department by submitting a specified registration form and a specified fee; requiring the Department to register a ground lease under specified circumstances; etc.	Became Law-Governor Signed (chapter 290)
Comptroller	SB 393	Corporate Income Tax Reform - Combined Reporting	Requiring specified corporations to compute Maryland taxable income using a specified method; providing that, subject to regulations of the Comptroller, specified groups of corporations shall file a combined income tax return reflecting the aggregate income tax liability of all of the members of the group; requiring the Comptroller to adopt regulations; applying the Act to tax years after December 31, 2007; etc.	Failed Legislation

SUBJECT	HOUSE BILL SENATE BILL	TITLE	SYNOPSIS	STATUS
Comptroller	SB 869	State Income Tax - Credit for Release of Ground Rent	Allowing a credit against the State income tax for an individual or corporation holding a reversionary interest in a ground lease on residential real property as a landlord who releases a ground rent in accordance with the Act; requiring a landlord of property subject to a ground lease to provide a tenant, without the payment of consideration by the tenant, with a deed of redemption of ground rent and the original deed establishing the ground lease in order to claim a credit; etc.	Failed Legislation
Comptroller	SB 949	Transportation Funding Act of 2007	Increasing the motor fuel tax rates by 12 cents per gallon for motor fuel other than aviation fuel; providing for specified increases in the motor fuel tax rates for motor fuel other than aviation fuel under specified circumstances for specified periods based on the Comptroller's determinations as to the average wholesale price per gallon of motor fuel; etc.	Failed Legislation
Comptroller	HB 1345 SB 867(crossfiled)	Interest Rate on Tax Deficiencies and Refunds	Altering the calculation of the annual interest rate that the Comptroller sets for tax deficiencies and refunds.	Failed Legislation
Comptroller	HB 553	Corporate Income Tax Reform	Requiring specified corporations to compute Maryland taxable income using a specified method; providing that, except as provided by and subject to regulations of the Comptroller, specified groups of corporations shall file a combined income tax return reflecting the aggregate income tax liability of all of the members of the group for specified tax years; requiring the Comptroller to adopt regulations; applying the Act to taxable years after 2006; etc.	Failed Legislation
Comptroller	HB 821	Transportation - Tax Revenues	Increasing the motor fuel tax rates for gasoline, special fuel, and clean-burning fuel by 10 cents per gallon and for aviation gasoline and turbine fuel by 3 cents per gallon; repealing the sales and use tax exemption for the sale of motor fuel that is subject to the motor fuel tax; altering a motor carrier tax rate to include a per gallon sales and use tax equivalent rate; providing for the prepayment of the sales and use tax for motor fuel by a person who is required to pay the motor fuel tax for that fuel; etc.	Failed Legislation
Comptroller	HB 1143	Income Tax Withholding - Nonresident Contractors	Repealing a requirement for withholding of 3% of the contract price under specified contracts with nonresident contractors, as defined, pending tax compliance verification; applying the Act to contracts entered into on or after July 1, 2007; etc.	Passed Legislation
Comptroller	HB 572	Health Insurance - Personal Responsibility - Study	Requiring the Maryland Health Care Commission, in consultation with specified other State agencies, to study the issue of personal responsibility for obtaining health care coverage; requiring the study to include specified elements; requiring the Commission to report the results of its study, together with any recommendations, to specified legislative committees; etc.	Passed Legislation
Development Fees and Taxes	HB 523 SB 591 (crossfiled)	Municipal Corporations - Building Excise Tax	Authorizing municipal corporations to impose, by ordinance or resolution, a building excise tax on all types of building construction within a municipal corporation; requiring the governing body of a municipal corporation to hold a public hearing before adopting a specified ordinance or resolution; prohibiting a municipal corporation from imposing a building excise tax if the municipal corporation imposes any type of impact fee; etc.	Failed Legislation
Estates and Trusts	SB 219	Estates and Trusts - Donation of Conservation Easements	Clarifying that personal representatives, trustees, and fiduciaries may donate a conservation easement on real property for a specified purpose if the governing instrument authorizes the donation; clarifying that a specified trustee or fiduciary may consent to a donation of a conservation easement on real property by a personal representative for a specified purpose if the governing instrument authorizes the donation; and providing for the retroactive application of the Act.	Became Law-Governor Signed (chapter 18)
Estates and Trusts	SB 434	Estates and Trusts - Disclaimers	Establishing that creditors of a disclaimant have no interest in property disclaimed under the Maryland Uniform Disclaimer of Property Interests Act; and altering a provision providing for the validity of a disclaimer that is not filed, recorded, or registered.	Became Law-Governor Signed (chapter 155)
Estates and Trusts	HB 187	Estates and Trusts - Conservation Easement - Governing Instrument	Clarifying that personal representatives, trustees, and fiduciaries may donate a conservation easement on real property for a specified purpose if the governing instrument authorizes the donation; clarifying that a specified trustee or fiduciary may consent to a donation of a conservation easement on real property by a personal representative for a specified purpose if the governing instrument authorizes the donation; and providing for the retroactive application of the Act.	Became Law-Governor Signed (chapter 19)

SUBJECT	HOUSE BILL SENATE BILL	TITLE	SYNOPSIS	STATUS
Estates and Trusts	HB 188	Estates, Trusts, and Real Property - Rule Against Perpetuities	Establishing that the common-law rule against perpetuities as recognized in the State does not apply to specified options, rights to acquire land, rights or privileges to acquire interests in business entities, or nondonative property interests; establishing that specified nondonative property interests shall be void unless the interests are not subject to common-law rules against perpetuities or the interests have become effective, been exercised, or become vested within specified periods of time under specified circumstances; etc.	Became Law-Governor Signed (chapter 381)
Estates and Trusts	SB 182	Maryland Estate Tax - Unified Credit Effective Exemption Amount and Deduction for State Death Taxes	Repealing a provision limiting the unified credit used to determine the Maryland estate tax to the amount corresponding to a \$1 million exclusion amount under the federal estate tax; repealing a requirement that the tax be determined without regard to the deduction for State death taxes under the federal estate tax; applying the Act to decedents dying after December 31, 2003; etc.	Failed Legislation
Estates and Trusts	HB 466 SB 512 (crossfiled)	Maryland Estate Tax - Exclusion for Qualified Conservation Easements	Altering for purposes of the Maryland estate tax the determination of the amount of a specified exclusion allowed under the federal estate tax for qualified conservation easements; and applying the Act to decedents dying on or after January 1, 2007.	Failed Legislation
Estates and Trusts	HB 633 SB 731 (crossfiled)	Maryland Estate Tax - Exclusion for Family Farm Subject to Agricultural Preservation Easements	Altering the determination of the Maryland estate tax to exclude from the value of the gross estate the value of real property that is subject to a perpetual agricultural preservation easement that has been granted to the Maryland Agricultural Land Preservation Foundation and passes from the decedent to or for the use of specified relatives of the decedent; applying the Act to decedents dying after December 31, 2006; etc.	Failed Legislation
Estates and Trusts	HB 73	Maryland Estate Tax - Family Property Protection Act	Increasing the limitation on the unified credit used to determine the Maryland estate tax from the amount corresponding to a \$1,000,000 exclusion amount under the federal estate tax to the amount corresponding to a \$2,000,000 exclusion amount under the federal estate tax; repealing a requirement that the tax be determined without regard to the deduction for State death taxes under the federal estate tax; stating the General Assembly's intent; applying the Act to decedents dying after December 31, 2006; etc.	Failed Legislation
Excise Tax	HB 452 SB 397 (crossfiled)	Ground Rents - Conversion of Irredeemable Ground Rents	Providing for the conversion of an irredeemable ground rent to a redeemable ground rent unless a notice of intention to preserve irredeemability is recorded in the land records on or before December 31, 2010; providing for the filing of renewal notices and the extension of the period of effectiveness of a filed notice; establishing the sum for which a converted ground rent may be redeemed; etc.	Became Law-Governor Signed (chapter 287)
Excise Tax	HB 761	Vehicle Excise Tax Rate	Increasing the vehicle excise tax rate for motor vehicles, trailers, and semitrailers from 5% to 6% of the fair market value of the vehicle.	Failed Legislation
Franchise Tax	HB 1347	Public Service Company Franchise Tax - Returns and Collection	Requiring the tax collector to assess a public service company franchise tax that results from specified federal adjustments; authorizing specified penalties for the willful failure to file a public service company franchise tax return; authorizing the penalty of perjury for the willful filing of a false public service company franchise tax return; establishing time limits for the assessments of public service company franchise tax; etc.	Became Law-Governor Signed (chapter 475)
Income Tax	HB 1016	Electricity - Net Energy Metering - Renewable Energy Portfolio Standard - Solar Energy	Increasing a specified limit used to determine the availability of net energy metering to eligible customer-generators; increasing the amount of generating capacity of an electric generating system that may be used by an eligible customer-generator for net metering; requiring the Public Service Commission to make a specified determination concerning dual metering for specified eligible customer-generators; etc.	Became Law-Governor Signed (chapter 120)
Income Tax	HB 1197	Business and Economic Development - Maryland Research and Development Tax Credit	Providing for the continuation of the Maryland research and development tax credit if the federal research and development tax credit is repealed or terminates.	Became Law-Governor Signed (chapter 90)
Income Tax	HB 776	Income Tax Withholding - Distributions from Deferred Compensation Plans, Retirement Plans, and Annuities	Defining the term "annuity, sick pay, or retirement distribution" for the purposes of specified income tax withholding provisions; providing for income tax withholding from distributions from specified deferred compensation plans, retirement plans, and annuities; providing that income tax is not required to be withheld from distributions from specified deferred compensation plans, retirement plans, and annuities unless the employee makes a specified request; etc.	Became Law-Governor Signed (chapter 433)

SUBJECT	HOUSE BILL SENATE BILL	TITLE	SYNOPSIS	STATUS
Income Tax	SB 395	Income Tax - Corporations - Denial of Deduction for Excessive Compensation of Officers and Directors	Providing an addition modification under the Maryland corporate income tax for the amount of salary, wages, or other compensation for personal services paid or incurred by a corporation to an officer or director of the corporation in excess of 30 times the annual salary, wages, or other compensation for personal services of the lowest paid full-time employee; and applying the Act to taxable years beginning after December 31, 2006.	Failed Legislation
Income Tax	SB 716	Income Tax - Expensing of Section 179 Property	Limiting to property placed in service before January 1, 2007, the applicability of modifications to federal adjusted gross income of an individual or federal taxable income of a corporation for Maryland income tax purposes to reflect the determination of the maximum aggregate costs that a taxpayer may treat as an expense under Section 179 of the Internal Revenue Code for any taxable year without regard to the changes made to that section; etc.	Failed Legislation
Income Tax	HB 1053	Business Organization Filing Fees - Income Tax Credit	Increasing from \$300 to \$1,000 the filing fee for annual reports filed by specified corporations; providing a credit against the State income tax for \$500 of the filing fee paid for filing annual reports; applying the Act to fees paid for annual reports filed after December 31, 2007, and taxable years beginning after December 31, 2006; etc.	Failed Legislation
Income Tax	HB 142	Business and Economic Development - Biotechnology Investment Incentive Act	Imposing eligibility restrictions for the State income tax credit allowed for investments in qualified biotechnology companies; altering limits on the amount of credits that may be claimed by specified persons; repealing a provision making the credit refundable under specified circumstances; imposing limits on the amount of credits the Secretary of Business and Economic Development may certify for investments in a single business; repealing provisions providing for the recapture of the credit under specified circumstances; etc.	Failed Legislation
Income Tax	HB 1420	Individual Income Tax - Rates	Altering rates and rate brackets under the Maryland income tax on individuals; repealing a Maryland income tax subtraction modification for specified income of spouses filing joint returns; altering the calculation of the rate of specified taxes and withholding required under specified circumstances; applying the Act to tax years after 2007; etc.	Failed Legislation
Income Tax	HB 154	Income Tax Credit for Employer-Provided Child Care for Employees	Allowing a State income tax credit in an amount equal to 25% of the expenses paid or incurred by an employer during the taxable year to provide on-site child care for employees at the employer's business location in this State; limiting the credit to the State income tax imposed; applying the Act to tax years after 2006; etc.	Failed Legislation
Income Tax	HB 46 SB 232 (crossfiled)	Income Tax - Research and Development Tax Credits - Modifications	Increasing the aggregate amount of income tax credits for Maryland qualified research and development expenses that may be approved by the Department of Business and Economic Development each year from \$6,000,000 to \$12,000,000; and applying the Act to taxable years after 2006.	Failed Legislation
Income Tax	HB 1257 SB 945	Income Tax - Captive Real Estate Investment Trusts	Requiring that the dividends paid deduction be added back to federal taxable income to determine Maryland modified income of specified real estate investment trusts (REITs), as defined; applying the Act to tax years after December 31, 2006; etc.	Passed Legislation
Income Tax	HB 35	Income Tax - Expensing of Section 179 Property	Clarifying a specified modification to federal adjusted gross income under the Maryland income tax relating to determination of the maximum aggregate costs that a taxpayer may treat as an expense under Section 179 of the Internal Revenue Code without regard to specified changes to that section under federal law; and applying the Act to tax years after 2006.	Passed Legislation
Income Tax	HB 392 SB 419 (crossfiled)	Income Tax - Subtraction Modification - Military Retirement Income for Commissioned Officers	Altering the definition of "military service" under the Maryland income tax subtraction modification for military retirement income to include retired commissioned officers of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey who were separated from employment before July 1, 1991; applying the Act to taxable years beginning after December 31, 2006; etc.	Passed Legislation
Income Tax	HB 590	State Taxes - Solar Energy Grants and Devices	Providing a subtraction modification under the Maryland income tax for specified amounts received as a grant under a specified program; exempting from the State property tax real property that is a solar energy device installed to heat or cool a dwelling, generate electricity to be used in the dwelling, or provide hot water for use in the dwelling; and applying portions of the Act to specified tax years. Repealing a provision limiting the unified credit used to determine the	Passed Legislation

SUBJECT	HOUSE BILL SENATE BILL	TITLE	SYNOPSIS	STATUS
Inheritance Tax	SB182	Maryland Estate Tax - Unified Credit Effective Exemption Amount and Deduction for State Death Taxes	Maryland estate tax to the amount corresponding to a \$1 million exclusion amount under the federal estate tax; repealing a requirement that the tax be determined without regard to the deduction for State death taxes under the federal estate tax; applying the Act to decedents dying after December 31, 2003; etc.	Failed Legislation
Nonprofit Organizations	HB602	St. Mary's County - Real Property - Transfer	Authorizing the Board of County Commissioners of St. Mary's County, by resolution, to transfer property no longer needed for a public purpose with or without consideration to any private nonprofit organization in the county or to the Housing Authority of St. Mary's County if a specified public hearing is held; requiring specified issues to be considered at the public hearing; requiring a specified notice to be published before the public hearing; etc.	Became Law-Governor Signed (chapter 245)
Nonprofit Organizations	HB867	Gaming - Slot Machines - Ownership and Operation by Eligible Nonprofit Organizations	Making provisions that authorize eligible organizations to own or operate slot machines applicable statewide; altering the definition of "eligible organization" to make it applicable to a nonprofit organization located in the State for at least 10 years before the organization applies for a license; and increasing to 10 the number of slot machines that an eligible organization may own.	Failed Legislation
Nonprofit Organizations	HB598	Maryland Heritage Structure Rehabilitation Tax Credit Program	Altering provisions for the award of initial credit certificates under the Heritage Tax Credit; requiring the Director of the Maryland Historical Trust to adopt regulations to establish criteria for plans of proposed rehabilitation for purposes of the Maryland heritage structure rehabilitation tax credits; increasing from 50% to 75% the percentage of the total credits under initial credit certificates for any fiscal year that may be issued for projects in a single jurisdiction; extending the credit to July 1, 2010; etc.	Passed Legislation
Property Tax	HB 1348	Valuation Records - Restrictions	Providing that specified persons may not open to the public specified adjustments on residential worksheets or cards or commercial assessment worksheets or cards; providing that residential assessment worksheets listing the property description with assigned cost rates and depreciation factors shall be available for inspection; etc.	Became Law-Governor Signed (chapter 99)
Property Tax	HB 1386 SB 962 (crossfiled)	Agricultural Ownership Entities - Homestead Tax Credit	Altering definitions under the Homestead Property Tax Credit law to include shareholders in a family corporation, as defined, and partners in general partnerships within the definition of "homeowner" for purposes of the credit under specified circumstances; applying the Act to tax years beginning after June 30, 2007; authorizing the State Department of Assessments and Taxation to accept specified applications for the credit on or before September 30, 2007; etc.	Became Law-Governor Signed (chapter 209)
Property Tax	HB 143	Queen Anne's County - Property Tax Credits - Commercial Investment and Economic Development	Authorizing the governing body of Queen Anne's County to grant, by law, a property tax credit against the county property tax imposed on businesses that make specified real property improvements; providing that the governing body may define, fix, or limit the amount, terms, scope, and duration of a specified property tax credit; and providing for the implementation of the credit.	Became Law-Governor Signed (chapter 379)
Property Tax	HB 1422	Property Tax - Exemptions - Bus Passenger Shelters	Providing an exemption from the property tax for specified individuals if the individual holds an interest in property under an agreement to operate a bus passenger shelter; defining the term "bus passenger shelter"; etc.	Became Law-Governor Signed (chapter 107)
Property Tax	HB 1021	Property Tax - Assessment Growth Limit	Limiting the annual increase in the property tax assessment of real property owned by an individual who has occupied and maintained the property as the owner's principal residence for at least 25 years to the annual percentage increase in a specified Consumer Price Index; applying the Act to tax years beginning after June 30, 2008; etc.	Failed Legislation
Property Tax	HB 327 SB 705 (crossfiled)	Property Tax - Credit for Property Used as a Publicly Sponsored Business Incubator	Authorizing the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation to grant, by law, a property tax credit for specified property that is used as a business incubator; authorizing the county or municipal corporation to provide, by law, for the amount and duration of the credit and for specified provisions necessary to carry out the Act; etc.	Passed Legislation
Property Tax	HB 755 SB 486 (crossfiled)	Property Tax Credit - Replacement Home Purchased After Acquisition of Dwelling for Public Use	Authorizing the Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation to grant, by law, a tax credit against county or municipal corporation property taxes for a replacement dwelling purchased by a displaced owner of a dwelling acquired for public use by eminent domain by the State or a political subdivision or instrumentality of the State; authorizing the county or municipal corporation to provide for the amount and duration of the credit, subject to limitations; etc.	Passed Legislation

SUBJECT	HOUSE BILL SENATE BILL	TITLE	SYNOPSIS	STATUS
Recordation	HB 231	Recordation Tax - Exemption for Transfers from a Government or Public Agency	Authorizing the Mayor and City Council of Baltimore City or the governing body of a county to exempt from recordation tax an instrument of writing that transfers property from or grants a security interest from the United States, the State, an agency of the State, or a political subdivision of the State.	Became Law-Governor Signed (chapter 384)
Recordation	HB 1027 SB 220 (crossfiled)	Real Property - Release of Mortgage, Deed of Trust, or Lien Instrument	Authorizing specified persons to prepare and record a statutory release affidavit when the debt secured by a mortgage, deed of trust, or lien instrument is paid fully or satisfied and the party satisfied fails to provide a release suitable for recording; providing for the effect of a statutory release affidavit; etc.	Became Law-Governor Signed (chapter 21)
Recordation	HB 409	Recordation Tax - Indemnity Mortgages	Providing that, for purposes of the recordation tax, secured debt with respect to an indemnity mortgage, deeds of trust, or other security interests in real property securing a guarantee of repayment of a loan for which the guarantor is not primarily liable is deemed to be incurred as debt is incurred on the guaranteed loan and the recordation tax applies as if the guarantor were primarily liable for the guaranteed loan; etc.	Failed Legislation
Revenue and Taxes	HB 1007	Biotechnology Investment Tax Credits	Authorizing specified investors and venture capital firms to claim a specified tax credit against the State premium tax in a specified manner; authorizing specified venture capital firms to allocate specified tax credits to specified persons in a specified manner; requiring the Department of Business and Economic Development to issue and send a specified certificate to specified investors or venture capital firms; altering the limits on the maximum tax credit that may be claimed; etc.	Failed Legislation
Revenue and Taxes	HB 434	Transportation Funding - Mass Transit Funding - Sales and Use Tax	Creating a Mass Transit Account within the Transportation Trust Fund; providing for the distribution of specified sales and use tax revenue to the account; altering the sales and use tax rate; pledging specified taxes collected to pay the principal and interest on specified bonds; providing for periodic increases to the rate of the sales and use tax; limiting the use of the account to funding specified transit capital and operating expenses; etc.	Failed Legislation
Revenue and Taxes	HB 757 SB 422 (crossfiled)	Alcoholic Beverage Tax - Special Fund for Addiction and Treatment Services	Increasing the State tax rates for alcoholic beverages in Maryland from \$1.50 to \$3 per gallon for distilled spirits, from 40 to 80 cents per gallon for wine, and from 9 to 18 cents per gallon for beer; providing for the distribution of the additional revenue resulting from the increased tax rates to a special fund to be used only for the purpose of providing additional funding for addiction treatment and prevention services; etc.	Failed Legislation
Sales and Use Tax	HB 1022	Sales and Use Tax - Services	Altering the definition of "taxable service" under the sales and use tax to impose the tax on a tanning facility or service, tattoo and body piercing, swimming pool or hot tub cleaning, interior decorating, a self-storage facility or service, and home moving services.	Failed Legislation
Sales and Use Tax	HB 1413	Sales and Use Tax - Payment of Tax by Seller	Repealing a prohibition against a vendor advertising, stating, or otherwise holding out that the vendor will assume or absorb, will not add to the taxable price, or will refund any part of the sales and use tax imposed on a retail sale or use; authorizing vendors to assume or absorb all or any part of the sales and use tax imposed on a retail sale or use and to pay that sales and use tax on behalf of the buyer; etc.	Failed Legislation
Sales and Use Tax	HB 393	Sales and Use Tax - Rates - Mass Transit Funding	Creating a Mass Transit Account within the Transportation Trust Fund; providing for the distribution of specified sales and use tax revenue to the Mass Transit Account; pledging specified taxes collected to pay the principal and interest on specified bonds; altering the rate of the sales and use tax; limiting the use of the Mass Transit Account to funding specified transit expenses; providing that specified revenues distributed to the Mass Transit Account are in addition to and may not supplant other funds for mass transit; etc.	Failed Legislation
Sales and Use Tax	HB 448	Sales and Use Tax - Services	Altering the definition of "taxable service" under the sales and use tax to impose the tax on specified services; exempting from the tax the sale of a parking facility or service by a political subdivision of the State; etc.	Failed Legislation
Sales and Use Tax	HB 846	Sales and Use Tax - Rate - Education Trust Fund	Altering the rate of the sales and use tax from 5% to 6%; establishing an Education Trust Fund; and requiring specified distributions from the sales and use tax revenue to the Education Trust Fund to be used for a specified purpose.	Failed Legislation

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