



STATE DEPARTMENT OF ASSESSMENTS & TAXATION

ORIGIN & FUNCTIONS

For tax purposes, the State Department of Assessment and Taxation appraises real and personal taxable property at market value and certifies these values to local governments. Maryland is the only state where the assessment process is centralized at the State level.



Functions of the State Department of Assessments and Taxation began in 1878 when the office of the State Tax Commissioner was established (Chapter 178, Acts of 1878). The State Tax Commission replaced the office of State Tax Commissioner in 1914 (Chapter 841, Acts of 1914). Quasi-judicial appeal responsibilities of the State Tax Commission were assigned in 1959 to the Maryland Tax Court (Chapter 757, Acts of 1959). The Commission's administrative duties were assumed at that time by the State Department of Assessments and Taxation. In 1973, the State took over administration of local assessment offices and bore their full operational costs as well (Chapter 784, Acts of 1973).

301 West Preston St., Baltimore, Maryland, March 2004. Photo by Diane F. Evartt.

OFFICE OF DIRECTOR

Appointed by the Governor, the Director of Assessments and Taxation administers and enforces the property assessment and tax laws of Maryland. The Director supervises assessment of all property in the counties and cities so that taxable property is assessed uniformly statewide. For both real and business personal property, the Director must establish a continuing method of assessment (Code Tax - Property Article, Title 2).

For each county and Baltimore City, the Director of Assessments and Taxation appoints a supervisor of assessments nominated by the mayor of Baltimore, the county commissioners, or, under charter government, by the county council or the county executive with council approval.

Under the Department are four divisions: Finance and Administration; Information Technology; Real Property Valuation; and Taxpayer Services.

FINANCE & ADMINISTRATION DIVISION

The Finance and Administration Division formed in 1992 as the Business Services and Finance Division from the merger of the Corporate Charter Division and the Corporate Assessments Division. It received its present name in 1998 when responsibilities of these two divisions (along with Franchise Taxes, and Utility and Railroad Valuation) transferred to the Taxpayer Services Division. For the Department, the Division oversees accounting, procurement, and budget preparation.

Under the Division are two units: Accounting, and Administration and Operations.

INFORMATION TECHNOLOGY DIVISION

In 1993, the Information Technology Division was created as Management Information Services under the Taxpayer Services Division. In July 1998, Management Information Services was made a separate division. In 2000, it received its present name.

The automated data systems of the Department are administered and maintained by the Department. For each county and Baltimore City, the Division also designs and maintains systems for real property, corporate charters, local personal property, and tax credits. These include the Real Property Data System (ADS); Home Owners' and Renters' Tax Credits; Residential and Commercial Computer-Assisted Mass Appraisal (CAMA); and the Maryland Business Entity System (MBES).

INTERNET SERVICES

On the Internet, the Department offers a searchable database for real and personal property assessments, tax maps, sales data, corporate charter and Uniform Commercial Code information.

REAL PROPERTY VALUATION DIVISION

Since 1980, real property has been reassessed on a three-year cycle by the Real Property Valuation Division. Every year, one-third of all residential, commercial, industrial and agricultural properties in Maryland are reviewed. Assessors monitor and analyze real estate sales in Maryland and may conduct an exterior physical inspection of a property. Since July 2001, the system of real property assessment has been based on 100 percent of the market value of the property (Chapter 80, Acts of 2000). This simplified system allows for a better comparison with other states which tax property on full value.

Maryland law provides for a three-tier administrative appeal process: the Supervisor's Level Hearing; the Property Tax Assessment Appeals Board; and the Maryland Tax Court. Where assessment questions are involved, the Real Property Valuation Division participates in all court proceedings. The Division also provides clerical assistance to several local [Property Tax Assessment Appeal Boards](#). Brochures explaining the assessment process and related matters, such as appeals and tax credits, are available on the Internet, and at each local assessment office.

Under the Real Property Valuation Division are the local assessment offices. These include an office in each county and in Baltimore City.

TAXPAYER SERVICES DIVISION

The Taxpayer Services Division began as Special Programs and reorganized under its present name in 1992. The Division oversees franchise taxes, tax credit programs, and the issuance of corporate charters in Maryland.

BUSINESS PROPERTY EVALUATION

The Division oversees the annual reassessment of business personal property, including operating property of railroads and public utilities. The Division also administers franchise taxes applicable to the net income of savings and loan associations and other financial institutions, and to the gross receipts of public service corporations. In addition, the Division administers the property tax component of the Enterprise Zone Property Tax Credit Program.

Enterprise Zone Tax Credit Program. Through this program, businesses which locate or expand facilities in a designated enterprise zone receive local tax credits on increased assessments for new capital investments and improvements. In the first five years, tax credits may be received on 80 percent of the increase. A declining percentage (from 70 percent to 30 percent) is available over the next five years.

CHARTER UNIT

Anyone wishing to legally form a business does so through the Charter Unit. Such businesses include corporations, limited liability companies, limited partnerships, limited liability partnerships, and business trusts. Out-of-state entities doing business in Maryland also must register with the Unit.

The Unit is custodian of domestic charters for Maryland corporations and of qualifications and registrations for limited partnerships and foreign corporations. Specified fees are collected, and the personal property of such corporations is assessed by the Unit. Thereafter, the values are certified to the subdivisions for application of local tax rates and Personal Property Assessments. The Unit also is responsible for processing "ground rent" redemptions and registrations.

PROPERTY TAX CREDIT PROGRAMS

In 2003, property tax credit programs provided more than \$42 million in State-funded property tax credits to home owners and renters who qualified based on an income test.

Home Owners' Property Tax Credit Program. The Home Owners' Program is available to all low and fixed income home owners in Maryland, regardless of age. Credits are applied against the property tax bill if the tax exceeds a certain percentage of the home owner's gross income.

Homestead Property Tax Credit Application Program. The Homestead Property Tax Credit Program limits the annual assessment increase against which a resident home owner pays State and local property taxes. Since 2007, to receive the credit, property owners must submit a one-time application certifying that the property is used as their principal residence. Taxpayers are not entitled to the Homestead Tax Credit on rental properties or vacation homes.

Renters' Property Tax Credit Program. The Renters' Program applies to the permanently disabled; renters aged 60 or over; or renters who are under age 60, with dependent children, and who meet certain income requirements. The Program assumes that fifteen percent of rent paid is attributable to property taxes. If that portion exceeds a fixed amount in relation to gross income, the renter may receive a credit of up to \$600.

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