Introduction by: Councilmember Male

RESOLUTION 2012-10

REGARDING SENATE BILL 807/HOUSE BILL 1155
INCOME TAX ON PAYMENTS FOR PARTIAL TAKINGS

WHEREAS, the State of Maryland frequently acquires properties to meet a public goal, such as construction of transportation facilities; AND

WHEREAS, if an entire property is acquired by the State of Maryland, the payment for that property is not considered income for the purpose of calculating Maryland income tax; AND

WHEREAS, if only part of a property is acquired by the State of Maryland, the payment for that portion of the property is considered income for the purpose of calculating Maryland income tax; AND

WHEREAS, projects in and near Takoma Park, including construction of the Purple Line light rail line, may require acquisition of only portions of properties; AND

WHEREAS, property owners who must lose some of the property due to these projects should be able to take advantage of the same Maryland income tax provisions as those whose entire property is taken; AND

WHEREAS Senate Bill 807 / House Bill 1155, originally titled “Income Tax – Subtraction Modification – Land Acquisition for Transportation-Related Projects,” would allow owners of property subject to a partial taking by the State of Maryland for transportation projects to have the payment for the partial taking not be considered as income for the purpose of calculating Maryland income tax; AND

WHEREAS it is the intent of the bill’s sponsors to amend the bill to address partial takings by the State for all types of projects and to rename the bill, “Income Tax – Subtraction Modification – Land Acquisition for a Unit of State Government;” AND

WHEREAS the Council supports the bill to help property owners in Takoma Park that may face a partial loss of property due to public projects; AND

WHEREAS the Takoma Park City Council acknowledges that income tax revenue for the City of Takoma Park would be reduced if the payments for the partial takings are not taxed by the State of Maryland.
NOW, THEREFORE, BE IT RESOLVED THAT the Council of the City of Takoma Park supports Senate Bill 807 and House Bill 1155 regarding taxation of payments received for property acquisition by the State of Maryland.

ADOPTED this 27th day of February, 2012.

Attest:

__________________________
Jessie Carpenter, CMC
City Clerk