

To Whom It May Concern:

On May 4, 2010, the Heavy Equipment Tax Reform Act of 2010 was signed by the Governor of Maryland. This law takes effect on December 31, 2010. Preliminary research conducted by Carroll County Department of the Comptroller identified your company as one who may be affected by this law.

Specifically, this law affects businesses who meet the following two criteria:

1. The business is described under Code 532412 of the North American Industry Classification System as published by the United States Census Bureau.
2. The largest segment of total rental receipts of the business is from short-term lease or rental of heavy equipment property.

Heavy equipment property is defined as “construction, earthmoving, or industrial equipment that is mobile including any attachment for the heavy equipment. Heavy equipment includes a self-propelled vehicle that is not designed to be driven on a highway; or industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment, or other similar industry equipment.”

Short-term lease or rental means a lease or rental of heavy equipment property for a period of 365 days or less.

If the above definitions apply to your business, then the Heavy Equipment Tax Reform Act of 2010 applies to you. The basic terms of the Act exempt the heavy equipment that qualifies from Personal Property Tax, but Gross Receipts Tax of 2% must be collected on the leases/rentals. The collection of the Gross Receipts Tax does not begin until July 1, 2011, but the exemption can be taken on your personal Property Return filed in early 2011.

Carroll County is developing forms to comply with this new law and expects to be mailing them to businesses in the near future. Please complete the attached form and return it to The Collections Office 225 N. Center Street, Westminster, Maryland. 21157, Please contact me if you have any questions.

Sincerely,

Robert M. Burk, Comptroller