

Bill No.: \_\_\_\_\_  
Requested: \_\_\_\_\_  
Committee: \_\_\_\_\_

Drafted by: Schissler  
Typed by: Erika  
Stored – 12/10/25  
Proofread by \_\_\_\_\_  
Checked by \_\_\_\_\_

By: **Prince George’s County Delegation**

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George’s County – Personal Property Tax Exemption for Small**  
3 **Manufacturers**

4 **PG 423–26**

5 FOR the purpose of exempting all personal property in the possession of a person engaged  
6 in a manufacturing business with fewer than a certain number of employees from  
7 the personal property tax in Prince George’s County; and generally relating to a  
8 personal property tax exemption for manufacturing businesses in Prince George’s  
9 County.

10 BY repealing and reenacting, without amendments,  
11 Article – Tax – Property  
12 Section 1–101(a), (r), and (dd), 7–222(a), 7–225(a), and 7–226  
13 Annotated Code of Maryland  
14 (2019 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – Tax – Property  
17 Section 6–104 and 7–109(a)  
18 Annotated Code of Maryland  
19 (2019 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Tax – Property  
3 Section 7–226.1  
4 Annotated Code of Maryland  
5 (2019 Replacement Volume and 2025 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That the Laws of Maryland read as follows:

8 **Article – Tax – Property**

9 1–101.

10 (a) In this article the following words have the meanings indicated.

11 (r) (1) “Manufacturing” means the process of substantially transforming, or a  
12 substantial step in the process of substantially transforming, tangible personal property  
13 into a new and different article of tangible personal property by use of labor or machinery.

14 (2) “Manufacturing” includes:

15 (i) the operation of sawmills, grain mills, or feed mills;

16 (ii) the operation of machinery and equipment used to extract and  
17 process minerals, metals, or earthen materials or by-products that result from the  
18 extracting or processing;

19 (iii) research and development activities, whether or not the company  
20 has a product for sale;

21 (iv) the identification, design, or genetic engineering of biological  
22 materials for research or manufacture; and

23 (v) the design, development, or creation of computer software for  
24 sale, lease, or license.

25 (3) “Manufacturing” does not include:

- 1 (i) activities that are primarily a service;
- 2 (ii) activities that are intellectual, artistic, or clerical in nature;
- 3 (iii) public utility services, including telephone, gas, electric, water,  
4 and steam production services; or
- 5 (iv) any other activity that would not commonly be considered as  
6 manufacturing.

7 (dd) "Property tax" means the property tax imposed by:

- 8 (1) the State;
- 9 (2) a county; or
- 10 (3) a municipal corporation.

11 6–104.

12 Except as otherwise provided in §§ 7–222 [and], 7–226, AND 7–226.1 of this article,  
13 any stock in business of a person who engages in a manufacturing or commercial business  
14 in the State is subject to property tax.

15 7–109.

16 (a) [The] **EXCEPT AS PROVIDED IN § 7–226.1 OF THIS TITLE**, personal  
17 property described in §§ 7–222, 7–225, and 7–226 of this title is subject to the municipal  
18 corporation property tax unless exempted in full or in part by the governing body of the  
19 municipal corporation by law.

20 7–222.

21 (a) Except as provided in § 7–109 of this title and in subsection (b) of this section,  
22 the stock in business of a person engaged in a manufacturing or commercial business is not  
23 subject to property tax.

1 7-225.

2 (a) Except as provided in § 7-109 of this title and in subsection (b) of this section,  
3 if used in manufacturing, the following personal property, however operated and whether  
4 or not in use, is not subject to property tax:

5 (1) tools;

6 (2) implements;

7 (3) machinery; or

8 (4) manufacturing apparatus or engines.

9 7-226.

10 Except as provided in § 7-109 of this title, raw materials and manufactured products  
11 in the possession of a manufacturer are not subject to property tax.

12 **7-226.1.**

13 **IN PRINCE GEORGE’S COUNTY, ALL PERSONAL PROPERTY, INCLUDING**  
14 **MANUFACTURING INVENTORY, IN THE POSSESSION OF A PERSON ENGAGED IN A**  
15 **MANUFACTURING BUSINESS THAT HAS 50 OR FEWER EMPLOYEES IS EXEMPT FROM**  
16 **PROPERTY TAX, INCLUDING ANY SPECIAL TAXING DISTRICT PROPERTY TAX.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
18 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.