

Alert

Montgomery County Council Unanimously Approves Parking Lot District Tax Exemption Bill

December 2, 2014

Linowes and Blocher LLP is pleased to report that on November 25, 2014, by a unanimous 9-0 vote, the Montgomery County Council approved Expedited Bill 43-14 regarding tax exemptions in the County's Parking Lot Districts (PLDs). This legislation could be of benefit if you own or lease property in a County PLD (Silver Spring, Bethesda, Wheaton, and Montgomery Hills) that is providing the Code required parking.

The County charges a PLD tax for all properties in the PLDs, with an exemption for properties that satisfy County Code parking requirements (with a partial taxation scenario for partial satisfaction). The Code currently includes provisions for a property owner or lessee to file for a PLD tax exemption by April 1st of the tax year starting July 1st. Earlier this year, we discovered that many clients were unaware that it was their obligation to file a PLD tax exemption application, and that taxes were being levied and collected unbeknownst to the property owners. Given the embedded nature of the PLD tax in the tax bill, the lack of any noticing to property owners that they may be eligible for exemptions, and the magnitude of the financial impacts, we sought legislative relief from the Council. Specifically, because the time period for applying for an exemption for the current tax year had already passed, we sought to have the opportunity to file for exemptions re-opened for this tax year to address the unfair collection of taxes that should not have been collected. Nancy Floreen and Roger Berliner co-sponsored Bill 43-14, with George Leventhal and Hans Reimer joining as co-sponsors, to provide the requested limited opportunity.

As passed, Bill 43-14 amends Section 60-14 of the County Code to allow property owners or lessees in the PLDs to apply for an exemption from PLD taxes for this current tax year that started July 1, 2014, during a one-time window ending February 28, 2015 (re-opening the window for filing that closed under the current statute on April 1, 2014), and obtaining a refund for any qualified PLD tax exemption that was already paid.

If you own or lease property in a County PLD that is providing the Code required parking but does not reflect a credit from the PLD tax on the July 1st tax bill or reflects only a minimal partial PLD credit, your rights could be affected, and this new legislation could potentially be of benefit.

Please contact one of the attorneys below if you have questions about whether your property is in a PLD, whether your property is subject to the PLD tax, your rights regarding any imposition of the tax, or how to determine whether Bill 43-14 as approved may impact your property.

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