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**[HISTORY: Adopted by the Board of County Commissioners of Calvert County as indicated in article histories. Amendments noted where applicable.]**

GENERAL REFERENCES

Historic Districts — See Ch. 57.

Impact fees — See Ch. 62.

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ARTICLE I  
**Historic Preservation Tax Credit**  
[Adopted 9-9-1988 by Res. No. 35-88; amended  
in its entirety 1-7-2003 by Ord. No. 2-03]

**§ 136-1. Purpose.**

The Board of County Commissioners of Calvert County desires to encourage the restoration and preservation of structures having historic or architectural value located in designated historic districts or designated as local historic landmarks and to provide certain real estate tax credits in connection with such improvements and reconstruction as authorized by Section 9-204 of the Tax – Property Article of the Annotated Code of Maryland, as amended.

**§ 136-2. Amount.**

There shall be allowed a tax credit on County real property taxes based upon the funds expended by a private owner taxpayer for restoration and preservation of any structure having historic or architectural value which is located within any historic district designated by the Calvert County Board of County Commissioners or is located within any historic district or is designated as a local historic landmark by the Chesapeake Beach or North Beach Town Councils. The tax credit shall be in an amount equal to 10% of the owner(s) expenses indicated by properly documented receipts, for such restoration and preservation.

**§ 136-3. Restoration items subject to approval; acceptable expenditures.**

- A. Subject to the approval of the Calvert County Historic District Commission, the cost of restoration or preservation of the following items shall be eligible for the tax credit:
- (1) Any external work, such as windows and doors, performed to restore the structure to its historic appearance.
  - (2) Repair and replacement to structural members (external and internal).
  - (3) Repair or replacement of floors.
  - (4) Repair or replacement of fireplaces and chimneys.
  - (5) Other items as approved by the Calvert County Historic District Commission.
- B. The cost of restoration or preservation of the following items shall not be eligible for the tax credit:
- (1) Plumbing.
  - (2) Electrical wiring.
  - (3) Heating or air conditioning.

**§ 136-4. Action by Historic District Commission.**

The Calvert County Historic District Commission shall only take action upon tax credit applications for preservation or restoration work submitted prior to the start of the preservation or restoration work proposed for tax credits. The Historic District Commission shall take preliminary action on the application for tax credits within the time required for two consecutive regular meetings of the HDC, after all pertinent information has been received. Determination of eligibility shall be made within the meaning of Section 9-204 of the Tax-Property Article of the Annotated Code of Maryland. It is the intent of this article that the Historic District Commission be liberal in such determination.

**§ 136-5. Emergency situations; costs reimbursed by insurance.**

In the event of an emergency situation facing an historic district or historic landmark property such as fire or storm damage that requires urgent repairs to protect the integrity of the building structure, the Calvert County Historic District Commission may grant retroactive approval to the application upon a finding of actual emergency. Other requirements for approval of tax credits still apply, except that costs reimbursed by insurance or otherwise would not be eligible for tax credit.

**§ 136-6. Filing of receipts.**

The tax credits referred to herein shall not be allowed until the receipts required by this article have been filed with the Calvert County Historic District Commission, accompanied by the oath or affirmation of the owner taxpayer, on such forms prescribed by the Historic District Commission and approved by the Historic District Commission. The receipts must be those for actual expenses in connection with the restoration and preservation previously approved by the Historic District Commission. The Historic District Commission shall take final action on the application for tax credit within the time required for two consecutive regular meetings of the Historic District Commission.

**§ 136-7. Period for which credit allowed; carrying forward.**

The tax credit referred to herein shall be allowed for the County tax year immediately subsequent to the year in which the restoration or preservation work is completed, and any unused portion of this tax credit may be carried forward to subsequent tax years, not to exceed four tax years.

**§ 136-8. Refund of tax credits.**

If for any reason a property granted a tax credit by this article ceases to be a locally designated historic district or historic landmark, the owner/taxpayer may be required to refund such tax credits. Should said property cease to be a locally designated historic district or historic landmark through no action of the owner, there shall be no refund of the tax credits required. Should the property owner initiate the action that results in the property ceasing to be a locally

designated historic district or historic landmark, the property owner is liable to refund all tax credits received to that date.

**§ 136-8.1. Annual report.**

The Calvert County Historic District Commission is required to submit to the County Commissioners a report on the tax credit program by May 31 of each year.

**§ 136-8.2. When effective.**

This article shall take effect from the date of approval of the regulations by the Board of County Commissioners and shall be applicable to restoration and preservation work for which application is made after August 9, 1988.

ARTICLE II  
**Tax on Manufacturing Equipment**  
[Adopted 4-8-1997 by Ord. No. 15-97]

**§ 136-9. Elimination of tax.**

Pursuant to the authority granted in §§ 7-108 and 7-225 of the Tax-Property Article of the Annotated Code of Maryland, the personal property tax on equipment used in manufacturing in Calvert County is hereby eliminated.

**§ 136-10. When effective.**

This article shall be effective immediately and shall be applicable for the fiscal years beginning after June 30, 1997.

ARTICLE III  
**Building Excise Tax**  
[Adopted 5-20-2003 by Ord. No. 15-03<sup>1</sup>]

**§ 136-11. Establishment of tax.**

In accordance with Article 25, § 9G, of the Annotated Code of Maryland, there is a building excise tax on all new building construction and building construction resulting in a change in use from any other use to residential use in Calvert County.

**§ 136-12. Definitions.**

The following words have the meanings indicated for purposes of this article only:

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<sup>1</sup> Editor's Note: This resolution also repealed the provisions of the former building excise tax adopted 10-30-2001 by Res. No. 43-01.

**AFFORDABLE HOUSING** — Housing available for rental or purchase to households earning up to 55% of the state median income.

**APPLICANT** — The individual, partnership, corporation or other legal entity whose signature appears on a building permit application.

**BONA FIDE ELDERLY UNIT** — A residential unit whose occupation is restricted, by covenant recorded among the land records of Calvert County, to persons age 55 or over.

**PERSON** — Does not include a County, state or federal governmental entity.

**TAX** — The building excise tax as established by this article, unless indicated otherwise by context.

**§ 136-13. Amount of tax.**

- A. The tax on residential structures shall be based on the type of residential structure or unit as follows:

Type of Residential Structure or Unit	Excise Tax Fund			Solid Waste Fund	Total Tax
	School	Recreation	Road		
Single-family detached	\$7,800	\$1,300	\$3,500	\$350	\$12,950
Single-family attached	\$5,175	\$1,300	\$3,500	\$350	\$10,325
Manufactured (mobile) home	\$3,900	\$1,300	\$3,500	\$350	\$ 9,050
Apartment	\$2,600	\$1,300	\$3,500	\$350	\$ 7,750
Bona fide elderly unit	n/a	\$1,300	\$3,500	\$350	\$ 5,150

- B. The tax on commercial, industrial, or institutional construction (including places of worship and public facilities) shall be \$0.11 per square foot of gross floor space. Revenue generated by commercial, industrial, or institutional construction (including places of worship and public facilities) shall be credited to the Solid Waste Enterprise Fund.

Type of Structure	School	Recreation	Solid Waste	Total Tax
Commercial, industrial, or institutional	n/a	n/a	\$0.11 per square foot of gross floor space	\$0.11 per square foot of gross floor space

**§ 136-14. Payment of tax.**

- A. An applicant for a building permit for new residential construction (except for construction of a building replacing a dwelling) or for building construction that results in the change in the use of a property from any other use to residential use shall pay the building excise tax at the time of the issuance of the permit or in installments as shown in the table below. The first installment shall be paid by check made payable to the Calvert County Treasurer before the issuance of a building permit or for a change of use. The second and third payments shall be billed on the tax bill for the property for the two tax years immediately following the tax year in which the first payment was made. Early payment of any balance due on the building excise tax is permitted. Payment of the tax for commercial, industrial, and institutional buildings shall be made at the time the building permit is issued.

<b>Type of Residential Structure or Unit</b>	<b>Total Tax</b>	<b>Due at Permit Issuance</b>	<b>Second Installment</b>	<b>Third Installment</b>
Single-family detached	\$12,950	\$4,550	\$4,200	\$4,200
Townhouse	\$10,325	\$3,675	\$3,325	\$3,325
Manufactured (mobile) home	\$ 9,050	\$3,250	\$2,900	\$2,900
Apartment	\$ 7,750	\$2,817	\$2,467	\$2,466
Bona fide elderly unit	\$ 5,150	\$1,950	\$1,600	\$1,600

- B. The building excise tax, which appears on the tax bill, is a lien against the real property and shall be enforced in the same manner as are County real property taxes, and shall have the same priority and bear the same interest and penalties as County real property taxes for lien purposes.

**§ 136-15. Credits.**

- A. If the application for the building permit is for the construction of a residence on a lot within a recorded subdivision that has been exempted from payment of the recreational impact fee, the applicant shall be given the credit towards the tax that appears on the subdivision plat.
- B. Upon application, the Board of County Commissioners may grant a full or partial waiver of the tax applicable to new construction of affordable housing funded in whole or in part by a local, state or federal government agency, or to new construction of affordable housing undertaken by a bona fide 501(c)(3) organization.

**§ 136-16. Use of tax revenue.**

- A. The revenues generated by the building excise tax shall be deposited into the County’s general fund and credited to the specific funds as provided below.

- (1) All revenue generated by commercial, industrial, or institutional construction and \$350 of each residential assessment shall be credited to the Solid Waste Enterprise Fund and used in accordance with the mandates of that fund.
  - (2) The balance of the revenue generated by each residential assessment shall be credited to the Excise Tax Fund, which shall contain a Recreation Account and a School Account, and a Road Account, according to the provisions below.
    - (a) One thousand three hundred dollars of each residential assessment shall be credited to the Recreation Account.
    - (b) Three thousand five hundred dollars of all residential construction shall be paid to the Road Account.
    - (c) All sums generated by the building excise tax on residential construction remaining after allocation of the monies to Solid Waste Enterprise Fund and the Recreation Account and the Road Account of the Excise Fund shall be credited to the School Account of the Excise Fund.
- B. Allocation of funds pursuant to Subsection A(1) above shall be made out of the funds collected at the time a building permit is issued. Allocations of funds pursuant to Subsection A(2) shall be made as the funds are received. Each of the Accounts in the Excise Tax Fund shall have credited to it  $\frac{1}{3}$  of the amount allocated to it whenever an installment payment is made.
- C. Funds credited to the Recreation Account of the Excise Fund shall be subject to the following restrictions:
- (1) All funds shall be applied to active and passive recreational use, including, but not limited to, the acquisition of land, capital improvements to recreational facilities, and other improvements related to all types of recreation, as determined by the Board of County Commissioners.
  - (2) Any funds collected pertaining to property in any municipality in Calvert County and credited to the Recreation Account shall be expended within the municipality from which the tax was collected, unless the governing body of the municipality approves the expenditure of such funds for the benefit of a location outside the municipality. Expenditure of funds collected within the municipality shall not be permitted unless the governing body of the municipality approves of the expenditure.
  - (3) Revenues shall be expended in the election district from which they were collected, exclusive of the municipalities, unless the Board of County Commissioners makes a finding that expenditure outside the district, or within a municipality within the district, would benefit the inhabitants of the district. Funds may be borrowed from the fund reserved for one election district and used in another district. However, if such funds are borrowed, all taxes collected from the receiving district shall be allocated toward repayment of the loan until the loan is fully paid. If a loan is received from more than one district, repayment shall be proportional to the amount of the loan from each contributing district.
- D. Funds credited to the School Account of the Excise Fund shall be subject to the following restrictions:

- (1) The funds in the School Account of the Excise Tax Fund shall be used to finance capital improvements and infrastructure; replace, expand and maintain existing facilities; and for any other lawful purpose as determined by the Board of County Commissioners.
- (2) Funds credited to the School Account of the Excise Tax Fund shall be expended in the school impact district from which they were collected unless the Board of County Commissioners makes a finding that an expenditure outside the district would benefit the inhabitants of the district. For the purposes of this subsection, “impact district” shall refer to the geographical area identified in § 62-9B of the Calvert County Code. Use of the term “impact district” shall not be interpreted as limiting the use of funds credited to the School Account to the uses set forth in Chapter 62 of the Calvert County Code.

E. Funds credited to the Road Account of the Excise Tax Fund shall be used to finance the construction of County roads and for any other lawful purpose as determined by the Board of County Commissioners.

#### **§ 136-17. Refund.**

If a building permit expires and construction under the permit has not commenced, the applicant shall be entitled to a refund of any building excise tax paid. The applicant shall apply to the Division of Inspections and Permits for the refund within 60 days of the expiration of the building permit. The County shall retain 6% of the tax collected to offset the costs of collection and refund.

#### **§ 136-18. Effective date.**

This article shall apply to all persons who receive a building permit or change of use permit on or after May 21, 2003.<sup>2</sup>

#### **§ 136-19. Severability.**

If any word, phrase, clause, sentence, paragraph, or section of this article, or the application of such to any person or circumstance, is declared invalid or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs, or sections of this article, since the same would have been enacted without the incorporation into this article of the invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section, and to that end all provisions of this article are determined to be severable.

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<sup>2</sup> Editor’s Note: This ordinance also provided that the increased taxes in this ordinance shall apply to all permits approved and issued on and after May 21, 2003, the effective date of the ordinance. A permit shall be deemed “issued” when it has received all necessary approvals and when either the first installment or the entire building excise tax has been received by the County. Permits that have been approved prior to the effective date but for which no tax payment has been received by the County shall be subject to the amount of tax reflected in this ordinance.

**§ 136-20. Title.**

This article shall be known as the “Building Excise Tax Ordinance.”

ARTICLE IV  
**Hotel Rental Tax**  
[Adopted 5-20-2003 by Ord. No.16-03<sup>3</sup>]

**§ 136-21. Definitions.**

As used in this article, the following words have the meanings indicated:

ACCOMMODATION TAX — The tax authorized under this article.

BOARD — The Board of County Commissioners of Calvert County, Maryland.

COUNTY — As the context requires, Calvert County.

HOTEL — An establishment, including an apartment, cottage, hostelry, inn, motel, rooming house or tourist home, that offers sleeping accommodation for compensation to any transient.

PERSON — A natural person, individual, firm, corporation, partnership, association or other legal entity.

TRANSIENT — Any person who, for any period not exceeding four consecutive months, obtains sleeping accommodation at any hotel, either at his or her own expense or at the expense of another.

TRANSIENT CHARGE — A hotel charge for sleeping accommodations for a period not exceeding four consecutive months, but does not include any hotel charge for services and accommodations other than sleeping accommodations.

**§ 136-22. Imposition and rate.**

- A. The Board hereby imposes an accommodation tax on the amount paid for a transient charge.
- B. The accommodation tax shall be 5% of the transient charge and shall be effective July 1, 2003.

**§ 136-23. Payment, collection and return.**

- A. A person shall pay the accommodation tax to the hotel when the person pays the transient charge.
- B. The hotel shall:

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<sup>3</sup> Editor’s Note: This ordinance provided that it take effect 7-1-2003.

- (1) Give the person who is required to pay a transient charge a bill that identifies the transient charge as a separate item from any other charge; and
  - (2) Collect the accommodation tax from the person who pays the transient charge.
- C. The hotel shall hold in trust the accommodation tax collected for the County until the hotel pays the tax to the County as required by this article.
- D. The hotel shall, on the form the County requires, complete, sign and file an accommodation tax return and remit payment in full to the County on or before the 21st day of each month for the preceding month.
- E. The hotel is allowed, for administrative costs, a discount not to exceed 1% of the gross amount of the accommodations tax collected, provided that the hotel, on or before the due date:
- (1) Files the accommodation tax return; and
  - (2) Pays the accommodation tax.

**§ 136-24. Administration.**

- A. The Board may adopt regulations consistent with Title 9 of Article 24 of the Annotated Code of Maryland, as amended, and Title 11 of the Tax-General Article of the Maryland Code Annotated, as amended, to provide for orderly, systematic and thorough administration of the accommodation tax.
- B. The Board may increase the surety bond that the County requires for its Treasurer in order to cover the revenue the Treasurer collects from the accommodation tax. The County may treat any additional premium due to the surety bond increase allowed as an administrative tax administrative cost.
- C. From the accommodation tax revenue collected, the Board shall distribute a reasonable sum for accommodation tax administrative costs to the general fund of the County.