

SENATE BILL 612

Unofficial Copy
Q4
HB 123/96 - W&M

2000 Regular Session
0lr2495
CF 0lr1591

By: **Senators Ruben, Hogan, Currie, and Lawlah**
Introduced and read first time: February 4, 2000
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Detective, Guard, and Armored Car Security Services**

3 FOR the purpose of altering the definition of taxable service under the sales and use
4 tax to exempt certain security services from the tax; providing for a delayed
5 effective date; and generally relating to the exemption of certain security
6 services from the sales and use tax.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 11-101(j)(3)(i) and (k)(10)
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 1999 Supplement)

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

14 **Article - Tax - General**

15 11-101.

16 (j) (3) "Taxable price" does not include:

17 (i) a charge that is made in connection with a sale and is stated as
18 a separate item of the consideration for:

19 1. a delivery, freight, or other transportation service for
20 delivery directly to the buyer by the vendor or by another person acting for the
21 vendor, unless the transportation service is a taxable service;

22 2. a finance charge, interest, or similar charge for credit
23 extended to the buyer;

24 3. a labor or service for application or installation;

1 4. a mandatory gratuity or service charge in the nature of a
2 tip for serving food or beverage to a group of 10 or fewer individuals for consumption
3 on the premises of the vendor;

4 5. a professional service;

5 6. a tax:

6 A. imposed by a county on the sale of coal, electricity, oil,
7 nuclear fuel assemblies, steam, or artificial or natural gas;

8 B. imposed under § 3-302(a) of the Natural Resources
9 Article, as a surcharge on the generation of electricity, and added to an electric bill;

10 C. imposed under §§ 6-201 through 6-203 of the Tax -
11 Property Article, on tangible personal property subject to a lease that is for an initial
12 period that exceeds 1 year and is noncancellable except for cause; or

13 D. imposed under § 4-102 of this article on the gross receipts
14 derived from an admissions and amusement charge; OR

15 7. any service for the operation of equipment used for the
16 production of audio, video, or film recordings; [or

17 8. reimbursement of incidental expenses paid to a third
18 party and incurred in connection with providing a taxable detective service;] or

19 (k) "Taxable service" means:

20 (10) a [security service, including:

21 (i) a detective, guard, or armored car service; and

22 (ii) a] security systems service;

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2001.