

# SENATE BILL 908

Q4

8lr2778

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By: **Senator Klausmeier**

Introduced and read first time: February 19, 2008

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemptions - Tax-Free Weeks**

3 FOR the purpose of designating a certain period in a certain year during which the  
4 purchase of certain items not exceeding a certain price are exempt from the  
5 sales and use tax; designating a certain period in a certain year to be a tax-free  
6 period during which an exemption from the sales and use tax is provided for the  
7 sale of certain appliances and products that meet or exceed certain applicable  
8 energy efficiency guidelines and for the sale of certain solar water heaters;  
9 defining certain terms; and generally relating to a sales and use tax tax-free  
10 period for certain purchases.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That:

13 (a) (1) In this section the following words have the meanings indicated.

14 (2) "Accessory items" means jewelry, watches, watchbands, handbags,  
15 handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.

16 (3) "Energy Star product" means an air conditioner, clothes washer or  
17 dryer, furnace, heat pump, standard size refrigerator, compact fluorescent light bulb,  
18 dehumidifier, or programmable thermostat that has been designated as meeting or  
19 exceeding the applicable Energy Star efficiency requirements developed by the United  
20 States Environmental Protection Agency and the United States Department of  
21 Energy.

22 (4) "Refund period" means that period of time when advance payment  
23 of income tax refunds or other payments made by the federal government as part of  
24 any federally legislated economic stimulus package enacted in calendar year 2008 are  
25 distributed to U.S. citizens.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (b)   (1)   Except as provided in paragraph (2) of this subsection, the week  
2 beginning the Sunday immediately following the conclusion of any refund period and  
3 ending the following Saturday shall be:

4                   (i)   a tax-free period for back-to-school shopping in Maryland  
5 during which the exemption under paragraph (3) of this subsection shall apply; and

6                   (ii) a tax-free period during which the exemption under  
7 paragraph (4) of this subsection shall apply.

8           (2)   If the refund period ends before July 1, 2008, the tax-free periods  
9 under paragraph (1) of this subsection shall be the week beginning August 10, 2008,  
10 and ending August 16, 2008.

11           (3)   During the tax-free period for back-to-school shopping established  
12 under paragraph (1)(i) of this subsection, the sales and use tax imposed under Title 11  
13 of the Tax – General Article does not apply to the sale of any item of clothing or  
14 footwear, excluding accessory items, if the taxable price of the item of clothing or  
15 footwear is \$100 or less.

16           (4)   During the tax-free period established under paragraph (1)(ii) of  
17 this subsection, the sales and use tax does not apply to the sale of any:

18                   (i)   Energy Star product; or

19                   (ii)  solar water heater.

20           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 2008.