

HOUSE BILL 319

Q4

2lr0575
CF SB 19

By: **Delegates Proctor, Anderson, Aumann, Bates, Beidle, Cane, Cluster, DeBoy, Dumais, Eckardt, Elliott, Feldman, Frank, Frush, Hershey, Howard, Hubbard, Hucker, Impallaria, Krebs, Love, Malone, McDonough, McHale, O'Donnell, Ross, Vallario, and Wood**

Introduced and read first time: January 30, 2012

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: April 1, 2012

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Veterans’ Organizations**

3 FOR the purpose of repealing a certain termination provision applicable to a sales and
4 use tax exemption for sales to certain veterans’ organizations; and generally
5 relating to a sales and use tax exemption for certain sales to certain veterans’
6 organizations.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 11–204(a)
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2011 Supplement)

12 BY repealing and reenacting, with amendments,
13 Chapter 217 of the Acts of the General Assembly of 2006, as amended by
14 Chapter 506 of the Acts of the General Assembly of 2009
15 Section 2

16 BY repealing and reenacting, with amendments,
17 Chapter 218 of the Acts of the General Assembly of 2006, as amended by
18 Chapter 506 of the Acts of the General Assembly of 2009
19 Section 2

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Tax – General**

4 11–204.

5 (a) The sales and use tax does not apply to:

6 (1) a sale to a cemetery company, as described in § 501(c)(13) of the
7 Internal Revenue Code in effect on July 1, 1987;

8 (2) a sale to a credit union organized under the laws of the State or of
9 the United States;

10 (3) a sale to a nonprofit organization made to carry on its work, if the
11 organization:

12 (i) 1. is located in the State;

13 2. is located in an adjacent jurisdiction and provides its
14 services within the State on a routine and regular basis; or

15 3. is located in an adjacent jurisdiction whose law:

16 A. does not impose a sales or use tax on a sale to a
17 nonprofit organization made to carry on its work; or

18 B. contains a reciprocal exemption from sales and use
19 tax for sales to nonprofit organizations located in adjacent jurisdictions similar to the
20 exemption allowed under this subsection;

21 (ii) is a charitable, educational, or religious organization;

22 (iii) is not the United States; and

23 (iv) except for the American National Red Cross, is not a unit or
24 instrumentality of the United States;

25 (4) a sale, not exceeding \$500, to a nonprofit incorporated senior
26 citizens' organization made to carry on its work, if the organization:

27 (i) is located in the State; and

28 (ii) receives funding from the State or a political subdivision of
29 the State;

1 (5) a sale to a volunteer fire company or department or volunteer
2 ambulance company or rescue squad located in the State made to carry on the work of
3 the company, department, or squad;

4 (6) a sale of tangible personal property to a nonprofit parent-teacher
5 association located in the State if the association makes the purchase to contribute the
6 property to a school to which a sale is exempt under item (3) of this subsection or §
7 11-220 of this subtitle;

8 (7) a sale to a nonprofit organization made to carry on its work, if the
9 organization:

10 (i) is qualified as tax exempt under § 501(c)(4) of the Internal
11 Revenue Code; and

12 (ii) is engaged primarily in providing a program to render its
13 best efforts to contain, clean up, and otherwise mitigate spills of oil or other
14 substances occurring in United States coastal and tidal waters; OR

15 (8) a sale to a bona fide nationally organized and recognized
16 organization of veterans of the armed forces of the United States or an auxiliary of the
17 organization or one of its units, if the organization is qualified as tax exempt under §
18 **501(C)(4) OR** § 501(c)(19) of the Internal Revenue Code[; or

19 (9) a sale to a bona fide nationally organized and recognized
20 organization of veterans of the armed forces of the United States or an auxiliary of the
21 organization or one of its units, if the organization is qualified as tax exempt under §
22 501(c)(4) of the Internal Revenue Code].

23 **Chapter 217 of the Acts of 2006, as amended by Chapter 506 of the Acts of**
24 **2009**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2006. [It shall remain effective for a period of 6 years and, at the end of June
27 30, 2012, with no further action required by the General Assembly, this Act shall be
28 abrogated and of no further force and effect.]

29 **Chapter 218 of the Acts of 2006, as amended by Chapter 506 of the Acts of**
30 **2009**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2006. [It shall remain effective for a period of 6 years and, at the end of June
33 30, 2012, with no further action required by the General Assembly, this Act shall be
34 abrogated and of no further force and effect.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.