
By: ~~Delegates Gordon, Bozman, Healey, Howard, Heller, Shriver, Patterson,~~
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CHAPTER 461

1 AN ACT concerning

2 **Sales and Use Tax - Resale Certificates - Out-of-State Vendors**

3 FOR the purpose of altering certain requirements for the use of resale certificates
4 under the sales and use tax by allowing a vendor to accept a resale certificate
5 that provides a sales and use tax registration number of another state under
6 certain circumstances; providing that a sales and use tax registration license or
7 comparable license from another state be provided to a vendor under certain
8 circumstances; and generally relating to the use of resale certificates under the
9 sales and use tax.

10 BY repealing and reenacting, with amendments,
11 Article - Tax - General
12 Section 11-408(b)
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2000 Supplement)

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

17 **Article - Tax - General**

18 11-408.

19 (b) (1) Except as provided in paragraph [(2)] (3) of this subsection, the duty
20 of a vendor to collect the sales and use tax from a buyer is waived if the buyer
21 provides the vendor with a signed resale certificate that:

1 (i) is in the form that the Comptroller requires by regulation;

2 (ii) states the name[,] AND address[, and registration certificate
3 number] of the buyer;

4 (III) 1. PROVIDES THE MARYLAND SALES AND USE TAX
5 REGISTRATION NUMBER OF THE BUYER; OR

6 2. FOR THE SALE OF AN ANTIQUE OR USED COLLECTIBLE,
7 PROVIDES A SALES AND USE TAX REGISTRATION NUMBER OF ANOTHER STATE AND
8 STATES THAT THE BUYER IS AN OUT-OF-STATE VENDOR WHO DOES NOT ENGAGE IN
9 THE BUSINESS OF AN OUT-OF-STATE VENDOR, AS DEFINED IN § 11-701 OF THIS
10 TITLE; and

11 [(iii)] (IV) contains a statement to the effect that the tangible
12 personal property or taxable service is bought for the purpose of resale.

13 (2) (I) IF A BUYER PROVIDES A RESALE CERTIFICATE WITH A SALES
14 AND USE TAX REGISTRATION NUMBER OF ANOTHER STATE AS PROVIDED UNDER
15 PARAGRAPH (1)(III)2 OF THIS SUBSECTION, THE BUYER SHALL ALSO PROVIDE A COPY
16 OF A SALES AND USE TAX REGISTRATION LICENSE ISSUED TO THE BUYER FROM
17 THAT STATE.

18 (II) IF A BUYER IS FROM A STATE WITHOUT A SALES AND USE TAX,
19 THAT BUYER SHALL PROVIDE A COPY OF A TRADER'S LICENSE FROM THAT STATE OR
20 A COMPARABLE TYPE OF IDENTIFICATION.

21 [(2)] (3) (i) A vendor may not accept a resale certificate if the vendor
22 knows or should know that the sale is not for the purpose of resale.

23 (ii) A vendor may not accept a resale certificate for a cash, check, or
24 credit card sale if:

25 1. the taxable price is less than \$200; and

26 2. the tangible personal property or taxable service is not
27 delivered by the vendor directly to the buyer's retail place of business.

28 [(3)] (4) A vendor shall obtain a resale certificate from a buyer:

29 (i) before the sale is consummated; or

30 (ii) if the vendor receives a notice of the Comptroller's intent to
31 assess sales and use tax for failure to obtain a proper resale certificate, within 60 days
32 after the date on which the notice is mailed.

33 [(4)] (5) If the vendor fails to obtain the resale certificate as required,
34 the Comptroller's assessment under paragraph [(3)(ii)] (4)(II) of this subsection is
35 final.

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