
By: **Delegates Impallaria, McDonough, Bates, Boteler, Cluster, Conroy,
Donoghue, Dwyer, Frank, Haddaway, Jennings, Kach, Kullen, Love,
Miller, and Shewell**

Introduced and read first time: February 11, 2005

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemption - Veterans Organizations**

3 FOR the purpose of providing an exemption from the sales and use tax for sales to
4 certain veterans organizations; and generally relating to the sales and use tax
5 and exempting sales to certain veterans organizations.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 11-204
9 Annotated Code of Maryland
10 (1997 Replacement Volume and 2004 Supplement)

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

13 **Article - Tax - General**

14 11-204.

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

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

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

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

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

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

1 (1) a bona fide church or religious organization, if the sale is made for
2 the general purposes of the church or organization;

3 (2) a gift shop at a mental hospital that the Department of Health and
4 Mental Hygiene operates;

5 (3) a hospital thrift shop that:

6 (i) is operated by all volunteer staff;

7 (ii) sells only donated articles;

8 (iii) contributes the profits from sales to the hospital with which the
9 shop is associated; and

10 (iv) is not operated in conjunction with a gift shop or another retail
11 establishment;

12 (4) a vending facility operated under the Maryland Vending Program for
13 the Blind if:

14 (i) the facility is located on property held or acquired by or for the
15 use of the United States for any military or naval purpose; and

16 (ii) a post exchange or other tax exempt concession is located and
17 operated on the same property; or

18 (5) an elementary or secondary school in the State or a nonprofit
19 parent-teacher organization or other nonprofit organization within an elementary or
20 secondary school in the State for the sale of magazine subscriptions in a fund-raising
21 campaign, if the net proceeds are used solely for the educational benefit of the school
22 or its students, including a sale resulting from an agreement or contract with an
23 organization to participate in a fund-raising campaign for a percentage of the gross
24 receipts under which students act as agents or salespersons for the organization by
25 selling or taking orders for the sale.

26 (c) To qualify as an organization to which a sale is exempt under subsection
27 (a)(3) or (5) of this section, the organization shall file an application for an exemption
28 certificate with the Comptroller.

29 (d) The Comptroller may treat the possession of an effective determination
30 letter of status under § 501(c)(3) or (13) of the Internal Revenue Code from the
31 Internal Revenue Service as evidence that an organization qualifies under subsection
32 (a)(3) or (5) or (1) of this section, respectively.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2005.