Q4 HB 409/04 - W&M

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

1 AN ACT concerning

A BILL ENTITLED

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

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1			3.	is located in an adjacent jurisdiction whose law:		
2 3	organization made to c	arry on i	A. its work;	does not impose a sales or use tax on a sale to a nonprofit or		
	sales to nonprofit organ			contains a reciprocal exemption from sales and use tax for in adjacent jurisdictions similar to the n;		
7		(ii)	is a char	itable, educational, or religious organization;		
8	,	(iii)	is not the	e United States; and		
9 10	instrumentality of the	(iv) United S		or the American National Red Cross, is not a unit or		
11 12	(4) organization made to d			ling \$500, to a nonprofit incorporated senior citizens' if the organization:		
13		(i)	is locate	d in the State; and		
14 15	State;	(ii)	receives	funding from the State or a political subdivision of the		
	6 (5) a sale to a volunteer fire company or department or volunteer 7 ambulance company or rescue squad located in the State made to carry on the work of 8 the company, department, or squad;					
21	19 (6) a sale of tangible personal property to a nonprofit parent-teacher 20 association located in the State if the association makes the purchase to contribute 21 the property to a school to which a sale is exempt under item (3) of this subsection or 22 § 11-220 of this subtitle; [or]					
23 24	(7) organization:	a sale to	a nonpro	ofit organization made to carry on its work, if the		
25 26	Revenue Code; and	(i)	is qualif	ied as tax exempt under § 501(c)(4) of the Internal		
			d otherw	ed primarily in providing a program to render its best ise mitigate spills of oil or other substances idal waters; OR		
32	ORGANIZATION OF AUXILIARY OF THE	F VETEI E ORGA	RANS O	ONA FIDE NATIONALLY ORGANIZED AND RECOGNIZED F THE ARMED FORCES OF THE UNITED STATES OR AN ON OR ONE OF ITS UNITS, IF THE ORGANIZATION IS ER § 501(C)(19) OF THE INTERNAL REVENUE CODE.		
34	(b) The sales	and use	tax does	not apply to a sale by		

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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: is operated by all volunteer staff; 6 (i) 7 (ii) sells only donated articles; (iii) contributes the profits from sales to the hospital with which the 9 shop is associated; and (iv) is not operated in conjunction with a gift shop or another retail 11 establishment; 12 a vending facility operated under the Maryland Vending Program for 13 the Blind if: 14 the facility is located on property held or acquired by or for the (i) 15 use of the United States for any military or naval purpose; and a post exchange or other tax exempt concession is located and 16 (ii) 17 operated on the same property; or 18 an elementary or secondary school in the State or a nonprofit (5) 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. To qualify as an organization to which a sale is exempt under subsection 26 (c) 27 (a)(3) or (5) of this section, the organization shall file an application for an exemption certificate with the Comptroller. 29 The Comptroller may treat the possession of an effective determination (d) 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.