

HOUSE BILL 784

Q3, Q4

4lr2408
CF SB 732

By: **Delegates A. Miller, Barkley, and Elliott**
Introduced and read first time: February 3, 2014
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income and Sales Tax Incentives – Emergency Preparedness Equipment

FOR the purpose of allowing a qualified nursing home to claim a refundable credit against the State income tax in the amount of sales and use tax paid for the purchase of certain backup generators; establishing a tax-free period each year during which a certain sales and use tax exemption for the sale of certain emergency preparedness items is provided; requiring the Comptroller to publish a certain list on or before a certain date; authorizing the Comptroller to amend a certain list under certain circumstances; defining certain terms; providing for the application and termination of certain provisions of this Act; and generally relating to tax incentives to encourage the purchase of certain emergency preparedness equipment.

BY adding to

Article – Tax – General
Section 10–736 and 11–228.1
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

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

Article – Tax –General

10–736.

(A) IN THIS SECTION, “QUALIFIED NURSING HOME” MEANS A NURSING HOME WITH FEWER THAN 50 BEDS.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(B) A QUALIFIED NURSING HOME MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT OF ANY SALES AND USE TAX PAID DURING THE TAXABLE YEAR FOR THE PURCHASE OF A BACKUP GENERATOR FOR THE QUALIFIED NURSING HOME.

(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, A QUALIFIED NURSING HOME MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

11-228.1.

(A) (1) IN THIS SECTION, “EMERGENCY PREPAREDNESS EQUIPMENT” MEANS SUPPLIES OR EQUIPMENT NECESSARY OR CONVENIENT DURING AN EMERGENCY.

(2) “EMERGENCY PREPAREDNESS EQUIPMENT” DOES NOT INCLUDE PORTABLE GENERATORS.

(B) (1) BEGINNING IN CALENDAR YEAR 2015, THE 6-DAY PERIOD FROM MAY 19 THROUGH MAY 24 SHALL BE A TAX-FREE PERIOD FOR EMERGENCY PREPAREDNESS EQUIPMENT SHOPPING IN MARYLAND DURING WHICH THE EXEMPTION UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL APPLY.

(2) DURING THE TAX-FREE PERIOD FOR EMERGENCY PREPAREDNESS EQUIPMENT SHOPPING ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF ANY EMERGENCY PREPAREDNESS EQUIPMENT IF THE TAXABLE PRICE OF THE ITEM IS \$60 OR LESS.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE JANUARY 1, 2015, THE COMPTROLLER SHALL PUBLISH ON THE COMPTROLLER’S WEB SITE A LIST OF EMERGENCY PREPAREDNESS EQUIPMENT THAT IS EXEMPT FROM TAXATION DURING THE TAX-FREE PERIOD.

(2) AFTER THE COMPLETION OF THE TAX-FREE PERIOD IN CALENDAR YEAR 2015, THE COMPTROLLER MAY AMEND THE LIST OF EMERGENCY PREPAREDNESS EQUIPMENT THAT IS EXEMPT FROM TAXATION FOR EACH SUBSEQUENT TAX-FREE PERIOD.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013, but before January 1, 2019.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013, but before January 1, 2019. Section 1 of this Act shall remain effective for a period of 5 years and, at the end of June 30, 2019, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.