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§11–204.

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

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

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

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

(i) 1. is located in the State;

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

3. is located in an adjacent jurisdiction whose law:

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

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

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

(iii) is not the United States; and

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

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

(i) is located in the State; and

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

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

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

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

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

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

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

(b) The sales and use tax does not apply to a sale by:

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

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

(3) a hospital thrift shop that:

(i) is operated by all volunteer staff;

(ii) sells only donated articles;

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

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

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

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

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

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

(6) a parent–teacher organization or other organization within an elementary or secondary school in the State or within a school system in the State; or

(7) subject to subsection (e) of this section, a bona fide church, religious organization, or other nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code if:

(i) the sale is made at an auction sale; and

(ii) the proceeds of the sale are used to carry on the exempt purposes of the church or organization.

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

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

(e) For a sale described under subsection (b)(7) of this section that is not otherwise exempt under this section, only that part of the sale price that qualifies for a deduction under the federal income tax as a charitable contribution under the regulations and guidelines of the Internal Revenue Service is exempt from the sales and use tax under this section.

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