

Article - Tax - General

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§11-407.

(a) (1) Except as provided in subsection (c) of this section, on or after July 1, 1993, the Comptroller may not:

(i) grant the authority to make direct payment, to the Comptroller, of sales and use tax due on purchases by a vendor; or

(ii) issue permits evidencing such authority.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, the Comptroller may continue to administer direct payment permits issued to vendors before July 1, 1993.

(3) The Comptroller may:

(i) issue the permit subject to reasonable and necessary terms and conditions; and

(ii) revoke the direct payment permit at any time for cause.

(b) A vendor who receives evidence that the buyer has a direct payment permit is discharged from:

(1) the duty to collect the sales and use tax; and

(2) the liability for the sales and use tax.

(c) (1) (i) The Comptroller may enter into an effective rate agreement with a vendor licensed under Subtitle 7 of this title to allow the vendor to compute its sales and use tax liability for purchases made by the vendor for a specific period using a predetermined agreed-upon effective rate, eliminating the need to determine the liability on a transaction-by-transaction basis.

(ii) An effective rate agreement:

1. shall specify the types of records to be maintained by the vendor; and

2. may exclude specified types of purchases or purchases in excess of specified dollar amounts.

(iii) The Comptroller may void an effective rate agreement entered into under this subsection if the vendor's operations significantly change during the term of the agreement.

(2) (i) If the Comptroller enters into an effective rate agreement with a vendor under this subsection, the Comptroller may issue a direct payment permit authorizing the vendor to make direct payment, to the Comptroller, of the sales and use tax due on purchases by that vendor that are subject to the effective rate agreement.

(ii) A direct payment permit issued under this paragraph remains in effect as long as the effective rate agreement is in effect.

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