

# HOUSE BILL 267

Q4

6lr1755

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By: **Delegates Grammer and Metzgar**

Introduced and read first time: January 25, 2016

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Sales by Out-of-State Vendors**

3 FOR the purpose of establishing a sales and use tax exemption for certain sales made by  
4 certain out-of-state vendors under certain circumstances; defining certain terms;  
5 and generally relating to a sales and use tax exemption for sales made by  
6 out-of-state vendors.

7 BY adding to

8 Article – Tax – General

9 Section 11-232

10 Annotated Code of Maryland

11 (2010 Replacement Volume and 2015 Supplement)

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

14 **Article – Tax – General**

15 **11-232.**

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
17 INDICATED.

18 (2) “EMPLOYEE” MEANS AN AGENT, A CANVASSER, A  
19 REPRESENTATIVE, A SALESMAN, OR A SOLICITOR EMPLOYED BY AN OUT-OF-STATE  
20 VENDOR.

21 (3) “OUT-OF-STATE VENDOR” HAS THE MEANING STATED IN §  
22 11-701 OF THIS TITLE.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF TANGIBLE**  
2 **PERSONAL PROPERTY OR A TAXABLE SERVICE FOR USE IN THE STATE IF:**

3           **(1) THE SALE IS MADE BY AN OUT-OF-STATE VENDOR WHOSE ONLY**  
4 **CONNECTION TO THE STATE IS HAVING AN EMPLOYEE OPERATING IN THE STATE**  
5 **FOR THE PURPOSE OF DELIVERING, SELLING, OR TAKING ORDERS FOR TANGIBLE**  
6 **PERSONAL PROPERTY OR A TAXABLE SERVICE; AND**

7           **(2) THE OUT-OF-STATE VENDOR HAS 10 OR FEWER EMPLOYEES**  
8 **OPERATING IN THE STATE.**

9           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2016.