

HOUSE BILL 540

Q4

6lr0739

By: **Delegates Lam, Ebersole, and Hill**

Introduced and read first time: February 3, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Trade–Ins and Core Charges**

3 FOR the purpose of altering the definition of taxable price for purposes of the sales and use
4 tax to exclude the value of certain used components, parts, or batteries received from
5 the purchaser of certain parts for an automobile, a truck, or a marine engine; and
6 generally relating to the definition of taxable price under the sales and use tax.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 11–101(l)(3)(ii)
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 11–101.

16 (l) (3) “Taxable price” does not include:

17 (ii) the value of a used component [or], part, **OR BATTERY** (core
18 value) received from a purchaser of [the following remanufactured truck parts:

- 19 1. an air brake system;
- 20 2. an engine;
- 21 3. a rear axle carrier; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1
2 **FOR:**

4. a transmission] **A COMPONENT, PART, OR BATTERY**

3 **1. AN AUTOMOBILE OR A TRUCK; OR**

4 **2. A MARINE ENGINE; or**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2016.