

SB0235/249032/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 235
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “Exemption” in line 2 down through “Engineering” in line 3 and substitute “Declaration of Legislative Intent - Services”; strike beginning with “providing” in line 4 down through “engineering;” in line 5 and substitute “clarifying that the sales tax applies to a security service by a detective who is authorized to provide private detective services under certain provisions of law; declaring the intent of the General Assembly regarding the application of the sales tax to taxable services; declaring the intent of the General Assembly that a certain service is subject to the sales tax only if it is provided by certain persons with certain authority; clarifying that the Comptroller is prohibited from imposing the sales tax on certain services;”; in line 5, after “term;” insert “providing for the application of this Act;”; strike in their entirety lines 7 through 11, inclusive; after line 11, insert:

“BY adding to

Article - Tax - General
Section 11-101(c-1)
Annotated Code of Maryland
(2016 Replacement Volume)”;

in line 12, strike “adding to” and substitute “repealing and reenacting, without amendments,”; and in line 14, strike “11-219(e)” and substitute “11-101(m)(10)”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 19 on page 1 through line 22 on page 2, inclusive, and substitute:

“Article – Tax – General

(Over)

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11-101.

(C-1) “DETECTIVE” MEANS A PERSON WHO IS AUTHORIZED TO PROVIDE PRIVATE DETECTIVE SERVICES UNDER TITLE 13 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

(m) “Taxable service” means:

(10) a security service, including:

(i) a detective, guard, or armored car service; and

(ii) a security systems service;

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The General Assembly finds that the imposition of sales tax imposed on a service not explicitly stated to be a “taxable service” under § 11-101(m) of the Tax – General Article is inconsistent with the legislative intent of the law.

(b) The General Assembly finds that the sales tax imposed on security services by a “detective” under § 11-101(m) of the Tax – General Article is intended to apply only to security services provided by a person who is authorized to provide private detective services under Title 13 of the Business Occupations and Professions Article.

(c) The Comptroller may not apply § 11-101(m) of the Tax – General Article or COMAR 03.06.01.39B(2) to impose the sales tax on a detective service unless the service is provided by a person who is authorized, or is required to be authorized, to provide private detective services under Title 13 of the Business Occupations and Professions Article.

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SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively, in accordance with §§ 13-1102(a) and 13-1104(g) of the Tax – General Article, and shall be applied to and interpreted to affect any assessment of the sales tax under COMAR 03.06.01.39B(2) for a detective service unless the service is provided by a person who is authorized, or is required to be authorized, to provide private detective services under Title 13 of the Business Occupations and Professions Article.”.

On page 2, in line 23, strike “2.” and substitute “4.”.