

HOUSE BILL 223

Q4

7lr2083

By: **Delegates McKay, Beitzel, and Buckel**

Introduced and read first time: January 20, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Electricity Consumption by Small Business**
3 **Located in Qualified Distressed County**

4 FOR the purpose of providing that the sales and use tax does not apply to the sale of
5 electricity used to operate certain small businesses in certain counties; defining
6 certain terms; and generally relating to a sales and use tax exemption for electricity
7 consumption by certain small businesses.

8 BY adding to

9 Article – Tax – General

10 Section 11–233

11 Annotated Code of Maryland

12 (2016 Replacement Volume)

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

15 **Article – Tax – General**

16 **11–233.**

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

19 (2) “QUALIFIED DISTRESSED COUNTY” HAS THE MEANING STATED IN
20 § 1–101 OF THE ECONOMIC DEVELOPMENT ARTICLE.

21 (3) “SMALL BUSINESS” MEANS A CORPORATION, A PARTNERSHIP, A
22 SOLE PROPRIETORSHIP, OR ANY OTHER BUSINESS ENTITY, INCLUDING ITS
23 AFFILIATES, THAT:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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- 1 **(I) IS ORGANIZED IN THE STATE;**
2 **(II) IS INDEPENDENTLY OWNED AND OPERATED; AND**
3 **(III) EMPLOYS 20 OR FEWER FULL-TIME EMPLOYEES.**
- 4 **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF ELECTRICITY**
5 **TO A SMALL BUSINESS LOCATED IN A QUALIFIED DISTRESSED COUNTY.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2017.