

HOUSE BILL 582

Q4

11r0926
CF SB 294

By: **Cecil County Delegation**

Introduced and read first time: January 20, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Cecil County – Sales and Use Tax Exemption – Federal Facilities**
3 **Redevelopment Areas**

4 FOR the purpose of providing an exemption from the sales and use tax for certain
5 construction material or warehousing equipment purchased for use in a certain
6 federal facilities redevelopment area in Cecil County under certain circumstances;
7 requiring a buyer claiming the exemption to provide certain evidence to a vendor;
8 defining certain terms; providing for the termination of this Act; and generally
9 relating to the sales and use tax.

10 BY adding to

11 Article – Tax – General

12 Section 11–241

13 Annotated Code of Maryland

14 (2016 Replacement Volume and 2020 Supplement)

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

17 **Article – Tax – General**

18 **11–241.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

21 **(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE**
22 **PERSONAL PROPERTY THAT:**

23 **1. IS USED TO CONSTRUCT OR RENOVATE:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 **A. A BUILDING;**
2 **B. A STRUCTURE;**
3 **C. AN IMPROVEMENT ON LAND; OR**
4 **D. INFRASTRUCTURE, INCLUDING WATER, SEWER, AND**
5 **OTHER UTILITY SYSTEMS; AND**

6 **2. TYPICALLY LOSES ITS SEPARATE IDENTITY AS**
7 **PERSONAL PROPERTY ONCE INCORPORATED INTO THE REAL PROPERTY.**

8 **(II) "CONSTRUCTION MATERIAL" INCLUDES BUILDING**
9 **MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND**
10 **SUPPLIES.**

11 **(3) "FEDERAL FACILITIES REDEVELOPMENT AREA" MEANS ANY REAL**
12 **PROPERTY IN CECIL COUNTY THAT:**

13 **(I) WAS PREVIOUSLY OWNED AT ANY TIME BY THE FEDERAL**
14 **GOVERNMENT; AND**

15 **(II) WAS, AS OF JUNE 1, 2019, THE SUBJECT OF AN APPROVED**
16 **APPLICATION FOR PARTICIPATION IN THE VOLUNTARY CLEANUP PROGRAM UNDER**
17 **TITLE 7, SUBTITLE 5 OF THE ENVIRONMENT ARTICLE.**

18 **(4) "WAREHOUSING EQUIPMENT" MEANS EQUIPMENT USED FOR**
19 **MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING**
20 **SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.**

21 **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION**
22 **MATERIAL OR WAREHOUSING EQUIPMENT IF:**

23 **(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON**
24 **SOLELY FOR USE IN A FEDERAL FACILITIES REDEVELOPMENT AREA; AND**

25 **(2) THE BUYER PROVIDES THE VENDOR WITH EVIDENCE OF**
26 **ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2021. It shall remain effective for a period of 10 years and, at the end of June 30, 2031,
29 this Act, with no further action required by the General Assembly, shall be abrogated and
30 of no further force and effect.