

# HOUSE BILL 995

Q4

11r2517

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By: **Delegate Qi**

Introduced and read first time: February 5, 2021

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Restaurant Utilities – Exemption**

3 FOR the purpose of providing that the sales and use tax does not apply to the sale of  
4 electricity, oil, liquefied petroleum gas, or artificial or natural gas used to operate a  
5 restaurant; defining a certain term; and generally relating to a sales and use tax  
6 exemption for certain energy consumption at restaurants.

7 BY adding to

8 Article – Tax – General

9 Section 11–241

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2020 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 **11–241.**

16 **(A) (1) IN THIS SECTION, “RESTAURANT” MEANS AN ESTABLISHMENT**  
17 **THAT IS PRIMARILY ENGAGED IN SELLING OR SERVING PREPARED FOOD AND**  
18 **BEVERAGES FOR CONSUMPTION ON OR OFF THE PREMISES.**

19 **(2) “RESTAURANT” INCLUDES A CATERING FOOD SERVICE FACILITY.**

20 **(3) “RESTAURANT” DOES NOT INCLUDE:**

21 **(I) A SUPERMARKET, CONVENIENCE STORE, MINI-MART, OR**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SIMILAR ESTABLISHMENT;

2 (II) A BUSINESS, SCHOOL, OR INSTITUTIONAL CAFETERIA; OR

3 (III) A CAFETERIA OPERATED BY OR ON BEHALF OF THE STATE  
4 OR A LOCAL GOVERNMENT.

5 (B) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF  
6 ELECTRICITY, OIL, LIQUEFIED PETROLEUM GAS, OR ARTIFICIAL OR NATURAL GAS  
7 USED TO OPERATE A RESTAURANT.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2021.