

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	11/07/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 12/1/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

03 06 01 44

3. Name of Promulgating Authority

Comptroller of Maryland

4. Name of Regulations Coordinator

Debora A Gorman

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5. Name of Person to Call About this Document

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6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
 - Date when existing text was downloaded from COMAR online: .
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval

X- Reproposal of Substantively Different Text:

40: 26 Md. R 2167-2168 12/27/2013
 (vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: 13-431-P.

7. Is there emergency text which is identical to this proposal:

- Yes **X- No**

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Renee Nacrelli, Assistant Attorney General, (telephone #410-767-1561) on November 6, 2014. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Peter Franchot

Title

Comptroller of the Treasury

Telephone No.

410-767-1556

Date

November 7, 2014

Title 03
COMPTROLLER OF THE TREASURY

Subtitle 06 SALES AND USE TAX

03.06.01 Sales and Use Tax

Authority: Tax-General Article, §§2-102, 2-103, 11-226, Annotated Code of Maryland.

Notice of Proposed Action

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The Comptroller of the Treasury proposes to adopt new Regulation .44 under COMAR 03.06.01 Sales and Use Tax. Because substantive changes have been made to the original proposal as published in 40:26 Md. R. 2167—2168 (December 27, 2013), the action is being repropose at this time.

Statement of Purpose

The purpose of this action is to provide guidance on sales of certain energy efficient equipment that qualifies for exemption from the sales and use tax during a specified weekend each year, to specify the annual exemption period, and to specify requirements for exemption.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Debora Gorman, Regulations Coordinator, Comptroller of the Treasury, 301 W. Preston St., Room #203, Baltimore, MD 21201, or call 410-767-1557, or email to dgorman@comp.state.md.us, or fax to 410-767-1310. Comments will be accepted through December 31, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2015

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No additional funding is required to implement the proposed regulation.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

This regulation is proposed for the purpose of providing guidance and does not modify existing sales and use tax law.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

This regulation is proposed for the purpose of providing guidance and does not modify existing sales and use tax law.

G. Small Business Worksheet:

1a. Intended beneficiaries of the proposed regulation are businesses selling and individuals purchasing certain energy efficient equipment during the designated tax-free weekend each year. The intended beneficiaries are primarily businesses.

1c. Retailers of Energy Star products and solar water heaters are the businesses affected. The impact on these businesses will be that they should alter their register programming or other means of record keeping so that they do not charge sales and use tax on the exempt items during the tax-free weekend, and then revert to charging sales and use tax again after the tax-free weekend ends. However, in the event a business does not make these changes and still charges the tax on an exempt item during the tax-free weekend, a purchaser may request a refund from the Comptroller. These establishments are not disproportionately small businesses. The Comptroller cannot estimate the number of small businesses impacted nor their total payroll or employment.

2a. No other direct or indirect adverse impacts are anticipated by this proposal.

2b. No other direct or indirect positive impacts are anticipated by this proposal.

3. No long term impacts are anticipated by this proposal.

4. The Comptroller estimates no impact on (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; or (6) consumer choice.

Title 03 COMPTROLLER OF THE TREASURY

Subtitle 06 SALES AND USE TAX

Chapter 01 Sales and Use Tax

Authority: Tax-General Article, §§2-102, 2-103, and 11-226.

.44 Tax-Free Weekend for Certain Energy Efficient Equipment

A. Definitions

(1) (originally proposed text unchanged)

(2) *Terms Defined.*

(a) (originally proposed text unchanged)

(b) *“Energy Star product” means an air conditioner, clothes washer, clothes dryer, furnace, heat pump, standard size refrigerator, compact fluorescent light bulb, dehumidifier, boiler, or programmable thermostat that has been designated as meeting or exceeding the applicable Energy Star efficiency requirements developed by the U.S. Environmental Protection Agency and the United States Department of Energy and is authorized to carry the Energy Star label. **For the period July 1, 2014 through June 30, 2017, “Energy Star product” also means a light-emitting diode (LED) light bulb that meets or exceeds the same Energy Star efficiency criteria.***

(c)—(d) (originally proposed text unchanged)

B. (originally proposed text unchanged)