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**By: Delegates Fulton, Branch, and C. Mitchell**

Introduced and read first time: January 26, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Permanent Seat Licenses**

3 FOR the purpose of including a permanent seat license for a seat at a professional sports  
4 stadium within the definition of tangible personal property for purposes of the sales  
5 and use tax; setting the rate of the sales and use tax for a sale of a permanent seat  
6 license for a seat at a professional sports stadium; providing an exception to a  
7 certain exemption under the sales and use tax; requiring the Comptroller to  
8 distribute certain sales and use tax revenue to a special fund to be used only for  
9 certain purposes; and generally relating to the sales and use taxation of permanent  
10 seat licenses for seats at a professional sports stadium.

11 BY repealing and reenacting, with amendments,

12 Article - Tax - General

13 Section 2-1303, 11-101(i)(1), and 11-221(a)(1)

14 Annotated Code of Maryland

15 (1988 Volume and 1995 Supplement)

16 BY adding to

17 Article - Tax - General

18 Section 11-104(e)

19 Annotated Code of Maryland

20 (1988 Volume and 1995 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Tax - General**

24 2-1303.

25 After making the distributions required under §§ 2-1301 and 2-1302 of this subtitle,

26 the Comptroller shall:

27 (1) DISTRIBUTE THE SALES AND USE TAX REVENUE DERIVED FROM  
28 THE SALE OF PERMANENT SEAT LICENSES FOR SEATS AT A PROFESSIONAL SPORTS  
29 STADIUM TO A SPECIAL FUND, TO BE USED ONLY TO PROVIDE ADDITIONAL  
30 FUNDING FOR THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM; AND

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1 (2) pay the remaining sales and use tax revenue into the General Fund of  
2 the State.

3 11-101.

4 (i) (1) "Tangible personal property" means:

5 (i) corporeal personal property of any nature; [or]

6 (ii) a right to occupy a room or lodgings as a transient guest ; OR

7 (III) A PERMANENT SEAT LICENSE FOR A SEAT AT A PROFESSIONAL  
8 SPORTS STADIUM.

9 11-104.

10 (E) THE SALES AND USE TAX RATE FOR THE SALE OF A PERMANENT SEAT  
11 LICENSE FOR A SEAT AT A PROFESSIONAL SPORTS STADIUM IS:

12 (1) 15 CENTS ON EACH EXACT DOLLAR; AND

13 (2) 3 CENTS FOR EACH 20 CENTS OR PART OF 20 CENTS IN EXCESS OF AN  
14 EXACT DOLLAR.

15 11-221.

16 (a) The sales and use tax does not apply to:

17 (1) a sale of an admission by a person whose gross receipts from the sale are  
18 subject to the admissions and amusement tax ,OTHER THAN A SALE OF A PERMANENT  
19 SEAT LICENSE;

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 1996.