
By: Delegate Montague

Introduced and read first time: February 26, 1996

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Admissions and Amusement Tax - Slot Machines**

3 FOR the purpose of imposing a State admissions and amusement tax on gross receipts
4 derived from certain slot machines; providing for the distribution of the revenue
5 from the tax; authorizing the State Comptroller to set the rate of the tax, to conduct
6 certain audits of records relating to the income of slot machines and the disposition
7 of the income, and to use the tax revenue for administration of the audits; and
8 generally relating to an admissions and amusement tax imposed by the State on
9 gross receipts of slot machines.

10 BY repealing and reenacting, without amendments,
11 Article - Tax - General
12 Section 2-201, 4-201, 4-202, and 13-302
13 Annotated Code of Maryland
14 (1988 Volume and 1995 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Tax - General
17 Section 2-202, 2-203, 4-102, and 4-105(a)
18 Annotated Code of Maryland
19 (1988 Volume and 1995 Supplement)

20 BY adding to
21 Article 27 - Crimes and Punishments
22 Section 264B VI.(F)
23 Annotated Code of Maryland
24 (1992 Replacement Volume and 1995 Supplement)

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

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1 **Article - Tax - General**

2 2-201.

3 From the admissions and amusement tax revenue, the Comptroller shall distribute
4 each quarter the amount necessary to administer the admissions and amusement tax laws
5 in the previous quarter to an administrative cost account.

6 2-202.

7 After making the distribution required under § 2-201 of this subtitle, within 20 days
8 after the end of each quarter, the Comptroller shall:

9 (1) distribute the remaining admissions and amusement tax revenue:

10 [(1)] (I) to the Maryland Stadium Authority, county, or municipal
11 corporation that is the source of the revenue; or

12 [(2)] (II) if the Maryland Stadium Authority and also a county or municipal
13 corporation tax a reduced charge or free admission:

14 [(i)] 1. 80% of that revenue to the Authority; and

15 [(ii)] 2. 20% to the county or municipal corporation; AND

16 (2) RETAIN THE ADMISSIONS AND AMUSEMENT TAX REVENUE
17 IMPOSED AS A STATE TAX ON GROSS RECEIPTS DERIVED FROM A SLOT MACHINE TO
18 BE USED FOR THE ADMINISTRATION OF AUDITS CONDUCTED UNDER ARTICLE 27, §
19 264B OF THE CODE.

20 2-203.

21 The Comptroller shall pay refunds relating to the admissions and amusement tax
22 from undistributed tax revenue attributable to [the Maryland Stadium Authority, the
23 county, or municipal corporation] THE GOVERNMENTAL ENTITY that is the source of
24 the tax.

25 4-102.

26 (a) A county may impose, by resolution, a tax on:

27 (1) the gross receipts derived from any admissions and amusement charge in
28 that county; and

29 (2) an admission in that county for a reduced charge or at no charge to a
30 place if there is a charge for other admissions to the place.

31 (b) A municipal corporation may impose, by ordinance or resolution, a tax on:

32 (1) the gross receipts derived from any admission and amusement charge in
33 that municipal corporation; and

34 (2) an admission in that municipal corporation for a reduced charge or at no
35 charge to a place if there is a charge for other admissions to the place.

36 (c) The Stadium Authority may impose a tax on:

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1 (1) the gross receipts derived from any admissions and amusement charge
2 for an admission to a facility owned or leased by the Stadium Authority; and

3 (2) an admission for a reduced charge or at no charge to a facility owned or
4 leased by the Stadium Authority if there is a charge for other admissions to the facility.

5 (D) A STATE TAX IS IMPOSED ON THE GROSS RECEIPTS DERIVED FROM A
6 SLOT MACHINE OPERATED IN ACCORDANCE WITH ARTICLE 27, § 264B OF THE CODE.

7 4-105.

8 (a) Except as otherwise provided in this section, the admissions and amusement
9 tax rate is:

10 (1) the rate that a county or municipal corporation sets, not exceeding 10%
11 of gross receipts subject to the admissions and amusement tax; [or]

12 (2) the rate that the Stadium Authority sets, not exceeding 8% of gross
13 receipts subject to the admissions and amusement tax; OR

14 (3) THE RATE THAT THE COMPTROLLER SETS FOR THE STATE TAX ON
15 THE GROSS RECEIPTS DERIVED FROM A SLOT MACHINE.

16 4-201.

17 A person shall complete, under oath, and file with the Comptroller the admissions
18 and amusement tax return:

19 (1) on or before the 10th day of the month that follows the month in which
20 the person has gross receipts subject to the admissions and amusement tax; and

21 (2) for other periods and on other dates that the Comptroller specifies by
22 regulation, including periods in which the person has no gross receipts subject to the tax.

23 4-202.

24 (a) Each person who has gross receipts subject to the admissions and amusement
25 tax shall keep complete and accurate records in the form and with the information that
26 the Comptroller requires by regulation.

27 (b) The person who is required under subsection (a) of this section to keep
28 records shall make the records available for inspection and examination by the
29 Comptroller at any time during business hours.

30 (c) The person shall keep the records required under subsection (a) of this
31 section for 4 years, unless the Comptroller consents in writing to an earlier destruction of
32 the records or requires in writing that the records be kept longer than 4 years.

33 13-302.

34 (a) To determine whether a tax return is correct or otherwise to enforce a
35 provision of this article, a tax collector may:

36 (1) examine any records or other data that may be relevant or material to
37 the matters required to be included in a tax return;

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- 1 (2) conduct an investigation;
- 2 (3) hold a hearing;
- 3 (4) administer oaths;
- 4 (5) take testimony and other evidence; and
- 5 (6) subpoena:
 - 6 (i) any person; or
 - 7 (ii) any relevant document.

8 (a-1) If the Comptroller determines that the taxpayer's records are so detailed,
9 complex, or voluminous that an audit of all detailed records would be unreasonable or
10 impractical, the Comptroller may compute the sales and use tax by using scientific
11 random sampling techniques.

12 (b) If a person fails to comply with a subpoena or fails to testify on any matter on
13 which the person lawfully may be interrogated, on petition of a tax collector, a circuit
14 court or, if the subpoena is issued under authority of an orphans' court, the orphans'
15 court may pass an order directing compliance with the subpoena or compelling testimony.

16 **Article 27 - Crimes and Punishments**

17 264B.

18 Any machine, apparatus or device is a slot machine within the provisions of this
19 section if it is one that is adapted for use in such a way that, as a result of the insertion or
20 deposit therein, or placing with another person of any piece of money, coin, token or
21 other object, such machine, apparatus or device is caused to operate or may be operated,
22 and by reason of any element of chance or of other outcome of such operation
23 unpredictable by him, the user may receive or become entitled to receive any piece of
24 money, coin, token or other object representative of and convertible into money,
25 irrespective of whether the said machine, apparatus or device may, apart from any
26 element of chance or unpredictable outcome of such operation, also sell, deliver or
27 present some merchandise or money or other tangible thing of value.

28 VI. (F) THE COMPTROLLER MAY AUDIT THE RECORDS OF AN ELIGIBLE
29 ORGANIZATION IN CONNECTION WITH ANY INFORMATION REQUIRED TO BE
30 REPORTED UNDER PARAGRAPH VI(C)(8) OF THIS SECTION ON THE INCOME OF EACH
31 SLOT MACHINE AND THE DISPOSITION OF THE INCOME.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 1996.