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**By: Delegate D. Murphy**

Introduced and read first time: January 31, 1997

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Rebates and Coupons**

3 FOR the purpose of excluding certain rebates and coupons from the taxable price of a  
4 sale that is subject to the sales and use tax.

5 BY repealing and reenacting, with amendments,  
6 Article - Tax - General  
7 Section 11-101(j)(3)  
8 Annotated Code of Maryland  
9 (1988 Volume and 1996 Supplement)

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

12 **Article - Tax - General**

13 11-101.

14 (j) (3) "Taxable price" does not include:

15 (i) a charge that is made in connection with a sale and is stated as a  
16 separate item of the consideration for:

17 1. a delivery, freight, or other transportation service for delivery  
18 directly to the buyer by the vendor or by another person acting for the vendor;

19 2. a finance charge, interest, or similar charge for credit  
20 extended to the buyer;

21 3. a labor or service for application or installation;

22 4. a mandatory gratuity or service charge in the nature of a tip  
23 for serving food or beverage to a group of 10 or fewer individuals for consumption on the  
24 premises of the vendor;

25 5. a professional service;

26 6. a tax:

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1                                   A. imposed by a county on the sale of coal, electricity, oil,  
2 nuclear fuel assemblies, steam, or artificial or natural gas;

3                                   B. imposed under § 3-302(a) of the Natural Resources Article,  
4 as a surcharge on the generation of electricity, and added to an electric bill; or

5                                   C. imposed under §§ 6-201 through 6-203 of the Tax - Property  
6 Article, on tangible personal property subject to a lease that is for an initial period that  
7 exceeds 1 year and is noncancellable except for cause; [or]

8                                   7. any service for the operation of equipment used for the  
9 production of audio, video, or film recordings; [or]

10                                  8. THE FACE VALUE OF A COUPON ISSUED BY THE VENDOR  
11 OR A MANUFACTURER; OR

12                                  9. ANY REBATE TO WHICH THE BUYER MAY BE ENTITLED  
13 FROM THE VENDOR OR A MANUFACTURER; OR

14                                  (ii) the value of a used component or part (core value) received from a  
15 purchaser of the following remanufactured truck parts:

16                                   1. an air brake system;

17                                   2. an engine;

18                                   3. a rear axle carrier; or

19                                   4. a transmission.

20                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 1997.