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**By: Delegates Hixson, Healey, Heller, and Edwards**

Introduced and read first time: February 3, 1997

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 1997

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Sales and Use Tax - Exemption for Sales of Magazine Subscriptions by Schools**

3 FOR the purpose of exempting from the sales and use tax ~~certain~~ sales of magazine  
4 subscriptions in a fund-raising campaign by an elementary or secondary school or  
5 certain nonprofit organizations associated with an elementary or secondary school if  
6 the net proceeds are used solely for certain purposes; and generally relating to a  
7 sales and use tax exemption for certain sales by an elementary or secondary school  
8 or certain nonprofit organizations associated with an elementary or secondary  
9 school.

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - General  
12 Section 11-204(b)  
13 Annotated Code of Maryland  
14 (1988 Volume and 1996 Supplement)

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

17 **Article - Tax - General**

18 11-204.

19 (b) The sales and use tax does not apply to a sale by:

20 (1) a bona fide church or religious organization, if the sale is made for the  
21 general purposes of the church or organization;

22 (2) a gift shop at a mental hospital that the Department of Health and  
23 Mental Hygiene operates;

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1 (3) a hospital thrift shop that:

2 (i) is operated by all volunteer staff;

3 (ii) sells only donated articles;

4 (iii) contributes the profits from sales to the hospital with which the  
5 shop is associated; and

6 (iv) is not operated in conjunction with a gift shop or another retail  
7 establishment; [or]

8 (4) a vending facility operated under the Maryland Vending Program for the  
9 Blind if:

10 (i) the facility is located on property held or acquired by or for the use  
11 of the United States for any military or naval purpose; and

12 (ii) a post exchange or other tax exempt concession is located and  
13 operated on the same property; OR

14 (5) AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE OR A  
15 NONPROFIT PARENT-TEACHER ASSOCIATION OR OTHER NONPROFIT  
16 ORGANIZATION ASSOCIATED WITH AN ELEMENTARY OR SECONDARY SCHOOL IN  
17 THE STATE OF MAGAZINE SUBSCRIPTIONS IN A FUND-RAISING CAMPAIGN, IF THE  
18 NET PROCEEDS ARE USED SOLELY FOR THE EDUCATIONAL BENEFIT OF THE  
19 SCHOOL OR ITS STUDENTS, INCLUDING A SALE RESULTING FROM AN AGREEMENT  
20 OR CONTRACT WITH AN ORGANIZATION TO PARTICIPATE IN A FUND-RAISING  
21 CAMPAIGN FOR A PERCENTAGE OF THE GROSS RECEIPTS UNDER WHICH STUDENTS  
22 ACT AS AGENTS OR SALESPERSONS FOR THE ORGANIZATION BY SELLING OR  
23 TAKING ORDERS FOR THE SALE.

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