
By: Senator Ferguson

Introduced and read first time: January 15, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Taxation of Flags and Flag-Related Items**

3 FOR the purpose of exempting the sale of certain flags and flag-related items from the
4 sales and use tax; defining a certain term; and exempting certain flags and
5 flag-related items from valuation and property taxation.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 11-205
9 Annotated Code of Maryland
10 (1988 Volume and 1996 Supplement)

11 BY adding to
12 Article - Tax - Property
13 Section 7-240
14 Annotated Code of Maryland
15 (1994 Replacement Volume and 1996 Supplement)

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

18 **Article - Tax - General**

19 11-205.

20 (A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (2) (I) "FLAG" MEANS A PIECE OF FABRIC OF DISTINCTIVE DESIGN
23 THAT IS INTENDED FOR USE PRIMARILY AS A SYMBOL.

24 (II) "FLAG" INCLUDES CURRENT, HISTORIC, OR HISTORICAL
25 REPRODUCTIONS OF:

26 1. FLAGS OF THE UNITED STATES OR A STATE OR
27 TERRITORY OF THE UNITED STATES;

28 2. FLAGS OF THE UNITED STATE ARMED FORCES;

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- 1 3. POW/MIA, COMMEMORATIVE, AND CELEBRATION FLAGS;
- 2 4. MESSAGE FLAGS;
- 3 5. CHURCH FLAGS;
- 4 6. MUNICIPAL GOVERNMENT FLAGS;
- 5 7. FLAGS OF OTHER NATIONS; AND
- 6 8. SPECIAL FLAGS CREATED FOR PATRIOTIC PURPOSES.

7 (III) "FLAG" DOES NOT INCLUDE AN ITEM INTENDED FOR USE
8 PRIMARILY AS A SIGNALING DEVICE INSTEAD OF AS A SYMBOL.

9 (3) "FLAG-RELATED ITEM" INCLUDES:

- 10 (I) FLAG DECORATIONS AND BUNTINGS OF ALL TYPES;
- 11 (II) FLAG MATERIAL OF ALL TYPES;
- 12 (III) FLAG BOOKS;
- 13 (IV) FLAG PAMPHLETS;
- 14 (V) FLAG CARDS;
- 15 (VI) FLAG PATCHES;
- 16 (VII) FLAG HATS;
- 17 (VIII) FLAG CLOTHING;
- 18 (IX) FLAG TAPES, VIDEO TAPES, AND PINS;
- 19 (X) FLAG POLES AND RELATED ACCESSORIES TO FLY AND
20 DISPLAY FLAGS AND BANNERS;
- 21 (XI) FLAG DECALS; AND
- 22 (XII) FLAG STICKERS.

23 (B) The sales and use tax does not apply to a sale of[:

- 24 (1) a Maryland State flag; or
- 25 (2) a United States flag] FLAGS OR FLAG-RELATED ITEMS.

26 **Article - Tax - Property**

27 7-240.

28 FLAGS AND FLAG-RELATED ITEMS, AS DEFINED IN § 11-205 OF THE TAX -
29 GENERAL ARTICLE, ARE NOT SUBJECT TO VALUATION OR TO PROPERTY TAX.

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

