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Q7
SB 522/92 - B&T

1997 Regular Session
7lr1127

By: Senators Hoffman, Blount, Currie, Dorman, Green, Kelley, Lawlah, Trotter, and Amoss

Introduced and read first time: January 16, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Admissions and Amusement Tax - Videotape and Game Cartridge Rentals

3 FOR the purpose of including a charge for use or rental of videotapes or game cartridges
4 within the definition of an admissions and amusement charge that may be subject to
5 the admissions and amusement tax; exempting a charge for use or rental of
6 videotapes or game cartridges from the admissions and amusement tax unless a
7 county or municipal corporation expressly provides otherwise; and generally relating
8 to authorization to the counties and municipal corporations to impose an
9 admissions and amusement tax on gross receipts derived from videotape rentals and
10 game cartridges.

11 BY repealing and reenacting, without amendments,

12 Article - Tax - General
13 Section 4-102(a) and (b) and 4-105
14 Annotated Code of Maryland
15 (1988 Volume and 1996 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article - Tax - General
18 Section 4-101(b)
19 Annotated Code of Maryland
20 (1988 Volume and 1996 Supplement)

21 BY adding to

22 Article - Tax - General
23 Section 4-104(e)
24 Annotated Code of Maryland
25 (1988 Volume and 1996 Supplement)

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

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

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1 **Article - Tax - General**

2 4-101.

3 (b) "Admissions and amusement charge", unless expressly provided otherwise,
4 means a charge for:

5 (1) admission to a place, including any additional separate charge for
6 admission within an enclosure;

7 (2) use of a game of entertainment;

8 (3) use of a recreational or sports facility;

9 (4) use or rental of recreational or sports equipment;

10 (5) USE OR RENTAL OF VIDEOTAPES OR GAME CARTRIDGES; and

11 [(5)] (6) merchandise, refreshments, or a service sold or served in
12 connection with entertainment at a nightclub or room in a hotel, restaurant, hall, or other
13 place where dancing privileges, music, or other entertainment is provided.

14 4-102.

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

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

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

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

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

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

25 4-104.

26 (E) UNLESS A COUNTY OR A MUNICIPAL CORPORATION BY ORDINANCE OR
27 RESOLUTION EXPRESSLY PROVIDES OTHERWISE, THE ADMISSIONS AND
28 AMUSEMENT TAX DOES NOT APPLY TO A CHARGE FOR USE OR RENTAL OF
29 VIDEOTAPES OR GAME CARTRIDGES.

30 4-105.

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

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

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1 (2) the rate that the Stadium Authority sets, not exceeding 8% of gross
2 receipts subject to the admissions and amusement tax.

3 (b) If gross receipts subject to the admissions and amusement tax are also subject
4 to the sales and use tax, a county or a municipal corporation may not set a rate so that,
5 when combined with the sales and use tax, the total tax rate will exceed 10% of the gross
6 receipts.

7 (c) If gross receipts subject to the admissions and amusement tax imposed by the
8 Stadium Authority are also subject to an admissions and amusement tax imposed by a
9 county or municipal corporation, the county or municipal corporation may not set a rate
10 or collect the tax at a rate so that, when combined with the rate of the Stadium Authority,
11 the total tax rate will exceed 10% of the gross receipts.

12 (d) A municipal corporation may set an admissions and amusement tax rate that
13 differs from the rate set by the county where the municipal corporation is located.

14 (e) For purposes of setting admissions and amusement tax rates, a county, a
15 municipal corporation, or the Stadium Authority may:

16 (1) establish different classes of admissions and amusement charges; and

17 (2) set different rates of tax for those classes.

18 (f) The admissions and amusement tax that a county, a municipal corporation, or
19 the Stadium Authority may impose on a reduced charge or free admission is:

20 (1) 5 cents, if the charge for any other admission is 50 cents or less;

21 (2) 10 cents, if the charge for any other admission is more than 50 cents but
22 does not exceed \$1; and

23 (3) 15 cents, if the charge for any other admission is more than \$1.

24 (g) If a county, a municipal corporation, or the Stadium Authority changes an
25 admissions and amusement tax rate or changes a class to which a rate applies, the county,
26 municipal corporation, or Stadium Authority shall give the Comptroller notice of the
27 change at least 60 days before the effective date of the change.

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