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Q7
SB 522/92 - B&T

1997 Regular Session
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CF 7r2362

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 12, 1997

CHAPTER _____

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

12 BY repealing and reenacting, without amendments,
13 Article - Tax - General
14 Section 4-102(a) and (b) and 4-105
15 Annotated Code of Maryland
16 (1988 Volume and 1996 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - Tax - General
19 Section 4-101(b) and 4-103(a)
20 Annotated Code of Maryland
21 (1988 Volume and 1996 Supplement)

22 BY adding to
23 Article - Tax - General

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1 Section 4-104(e)
2 Annotated Code of Maryland
3 (1988 Volume and 1996 Supplement)

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

6 **Article - Tax - General**

7 4-101.

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

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

12 (2) use of a game of entertainment;

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

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

15 (5) USE OR RENTAL OF VIDEOTAPES OR GAME CARTRIDGES, EXCEPT
16 FOR GAME CARTRIDGES USED WITH MACHINES THAT DISPENSE INSTANT BINGO
17 TICKETS; and

18 [(5)] (6) merchandise, refreshments, or a service sold or served in
19 connection with entertainment at a nightclub or room in a hotel, restaurant, hall, or other
20 place where dancing privileges, music, or other entertainment is provided.

21 4-102.

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

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

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

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

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

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

32 4-103.

33 (a) The admissions and amusement tax may not be imposed by:

34 (1) a county on gross receipts derived from any source within a municipal
35 corporation located in that county, if the municipal corporation imposes an admissions

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1 and amusement tax on any gross receipts or specifically exempts any gross receipts from
2 the admissions and amusement tax;

3 (2) Baltimore County on gross receipts of a not for profit community
4 association that is organized and operated to promote the general welfare of the
5 community that the association serves and the net earnings of which do not inure to the
6 benefit of any stockholder or member of the association;

7 (3) Calvert County on gross receipts that are subject to the sales and use tax;
8 [and]

9 (4) Washington County on gross receipts from an amusement device that is
10 subject to the license and permit requirements of Article 24, § 11-202 of the Code; AND

11 (5) A COUNTY, NOT INCLUDING BALTIMORE CITY, ON GROSS RECEIPTS
12 DERIVED FROM THE USE OR RENTAL OF VIDEOTAPES OR GAME CARTRIDGES.

13 4-104.

14 (E) ~~UNLESS A COUNTY~~ BALTIMORE CITY OR A MUNICIPAL CORPORATION BY
15 ORDINANCE OR RESOLUTION EXPRESSLY PROVIDES OTHERWISE, THE ADMISSIONS
16 AND AMUSEMENT TAX DOES NOT APPLY TO A CHARGE FOR USE OR RENTAL OF
17 VIDEOTAPES OR GAME CARTRIDGES.

18 4-105.

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

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

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

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

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

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

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

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

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

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

4 (1) 5 cents, if the charge for any other admission is 50 cents or less;

5 (2) 10 cents, if the charge for any other admission is more than 50 cents but
6 does not exceed \$1; and

7 (3) 15 cents, if the charge for any other admission is more than \$1.

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

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