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**By: Senator Ruben**

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Motor Vehicle Leases**

3 FOR the purpose of limiting the application of an exemption under the sales and use tax  
4 for certain motor vehicle leases to certain circumstances; and providing for the  
5 application of this Act.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 11-221(a)(5)  
9 Annotated Code of Maryland  
10 (1988 Volume and 1996 Supplement)

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

13 **Article - Tax - General**

14 11-221.

15 (a) The sales and use tax does not apply to:

16 (5) a lease of a motor vehicle that is leased for a period of at least 1 year, IF  
17 THE LESSOR OR LESSEE WAS REQUIRED TO PAY AND HAS PAID THE MOTOR  
18 VEHICLE EXCISE TAX UNDER § 13-809 OR § 13-811 OF THE TRANSPORTATION  
19 ARTICLE;

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 1997 and shall be applicable to all leases entered into on or after July 1, 1997.