
By: Senators Lawlah, Kasemeyer, and Currie

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 1997

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~~ within an elementary or secondary
6 school if the net proceeds are used solely for certain purposes; and generally
7 relating to a sales and use tax exemption for certain sales by an elementary or
8 secondary school or certain nonprofit organizations ~~associated with~~ within an
9 elementary or secondary 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~~ ORGANIZATION OR OTHER
16 NONPROFIT ORGANIZATION ~~ASSOCIATED WITH~~ WITHIN AN ELEMENTARY OR
17 SECONDARY SCHOOL IN THE STATE FOR THE SALE OF MAGAZINE SUBSCRIPTIONS IN
18 A FUND-RAISING CAMPAIGN, IF THE NET PROCEEDS ARE USED SOLELY FOR THE
19 EDUCATIONAL BENEFIT OF THE SCHOOL OR ITS STUDENTS, INCLUDING A SALE
20 RESULTING FROM AN AGREEMENT OR CONTRACT WITH AN ORGANIZATION TO
21 PARTICIPATE IN A FUND-RAISING CAMPAIGN FOR A PERCENTAGE OF THE GROSS
22 RECEIPTS UNDER WHICH STUDENTS ACT AS AGENTS OR SALESPERSONS FOR THE
23 ORGANIZATION BY SELLING OR TAKING ORDERS FOR THE SALE.

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