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Q7

1997 Regular Session
7lr2503

By: Senator Baker

Introduced and read first time: January 31, 1997
Assigned to: Budget and Taxation

Committee Report: Favorable
Senate action: Adopted with floor amendments
Read second time: March 20, 1997

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax, Vessel Excise Tax, and Property Tax - Marine Spill Response**
3 **Organizations**

4 FOR the purpose of providing an exemption under the vessel excise tax for possession
5 within the State of certain vessels owned by certain nonprofit marine spill response
6 organizations; providing an exemption under the sales and use tax for certain sales
7 to certain nonprofit marine spill response organizations; providing an exemption
8 from property tax for certain personal property owned by certain nonprofit marine
9 spill response organizations; and providing for the application of this Act.

10 BY repealing and reenacting, with amendments,

11 Article - Natural Resources
12 Section 8-716(e)
13 Annotated Code of Maryland
14 (1990 Replacement Volume and 1996 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article - Tax - General
17 Section 11-204(a)
18 Annotated Code of Maryland
19 (1988 Volume and 1996 Supplement)

20 BY adding to

21 Article - Tax - Property
22 Section 7-240
23 Annotated Code of Maryland
24 (1994 Replacement Volume and 1996 Supplement)

2

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

3 Article - Natural Resources

4 8-716.

5 (e) A person is not required to pay the tax provided for in subsection (c) of this
6 section resulting from:

7 (1) A transfer between members of the immediate family as determined by
8 Department regulations;

9 (2) A transfer to a licensed dealer of a vessel for resale, rental, or lease
10 purposes;

11 (3) Purchase of a vessel by the State or any political subdivision;

12 (4) Purchase of a vessel by an eleemosynary organization which the
13 Secretary has approved;

14 (5) The purchase within the State of a vessel if the owner paid or incurred a
15 liability for the Maryland sales and use tax on the vessel prior to July 1, 1986;

16 (6) The possession within the State of a vessel which was purchased outside
17 the State if the owner paid or incurred a liability for the Maryland Use Tax on the vessel
18 prior to July 1, 1986;

19 (7) The possession of a vessel that was purchased or acquired prior to
20 coming into the State by a nonresident of the State and is not used principally on the
21 waters of the State and if the issuance of a title is not sought; [or]

22 (8) The possession within the State of a vessel if the current owner, before
23 July 1, 1986:

24 (i) 1. Was licensed by the Department to catch, for commercial
25 purposes, finfish, eels, crabs, conch, terrapin, soft-shell clams, hard-shell clams, oysters,
26 or any other fish; and

27 2. Used the vessel for any of the commercial fishing purposes
28 described in item (i)1. of this paragraph; or

29 (ii) 1. Was licensed as a commercial fishing guide under the
30 provisions of § 4-210 of this article; and

31 2. Used the vessel as a charter boat with a license as provided in
32 § 4-745(d)(2) of this article; OR

33 (9) THE POSSESSION WITHIN THE STATE OF A VESSEL THAT:

34 (I) IS OWNED BY A NONPROFIT ORGANIZATION THAT:

35 1. IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(4) OF THE
36 INTERNAL REVENUE CODE; AND

4

1 (I) IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(4) OF THE
2 INTERNAL REVENUE CODE; AND

3 (II) IS ENGAGED PRIMARILY IN PROVIDING A PROGRAM TO
4 RENDER ITS BEST EFFORTS TO CONTAIN, CLEAN UP, AND OTHERWISE MITIGATE
5 SPILLS OF OIL OR OTHER SUBSTANCES OCCURRING IN UNITED STATES COASTAL
6 AND TIDAL WATERS.

7 **Article - Tax - Property**

8 7-240.

9 PERSONAL PROPERTY IS NOT SUBJECT TO PROPERTY TAX IF THE PROPERTY:

10 (1) IS OWNED BY A NONPROFIT ORGANIZATION THAT:

11 (I) IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(4) OF THE
12 INTERNAL REVENUE CODE; AND

13 (II) IS ENGAGED PRIMARILY IN PROVIDING A PROGRAM TO
14 RENDER ITS BEST EFFORTS TO CONTAIN, CLEAN UP, AND OTHERWISE MITIGATE
15 SPILLS OF OIL OR OTHER SUBSTANCES OCCURRING IN UNITED STATES COASTAL
16 AND TIDAL WATERS; AND

17 (2) IS USED FOR THE PURPOSES OF THE ORGANIZATION.

18 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding § 7-102
19 of the Tax - Property Article, the property tax exemption under § 7-240 of the Tax -
20 Property Article as enacted under Section 1 of this Act shall be applicable to all taxable
21 years beginning on or after July 1, 1997.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 1997.