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By: **Delegates Montague and M. Burns**  
Introduced and read first time: February 2, 1998  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Resale Certificates - Out-of-State Vendors**

3 FOR the purpose of altering certain requirements for the use of resale certificates  
4 under the sales and use tax by allowing a vendor to accept a resale certificate  
5 that provides a sales and use tax registration number of another state under  
6 certain circumstances; and generally relating to the use of resale certificates  
7 under the sales and use tax.

8 BY repealing and reenacting, with amendments,  
9 Article - Tax - General  
10 Section 11-408(b)(1)  
11 Annotated Code of Maryland  
12 (1997 Replacement Volume)

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

15 **Article - Tax - General**

16 11-408.

17 (b) (1) Except as provided in paragraph (2) of this subsection, the duty of a  
18 vendor to collect the sales and use tax from a buyer is waived if the buyer provides the  
19 vendor with a signed resale certificate that:

20 (i) is in the form that the Comptroller requires by regulation;

21 (ii) states the name[,] AND address[, and registration certificate  
22 number] of the buyer;

23 (III) 1. PROVIDES THE MARYLAND SALES AND USE TAX  
24 REGISTRATION NUMBER OF THE BUYER; OR

25 2. PROVIDES A SALES AND USE TAX REGISTRATION NUMBER  
26 OF ANOTHER STATE AND STATES THAT THE BUYER IS AN OUT-OF-STATE VENDOR

1 WHO DOES NOT ENGAGE IN THE BUSINESS OF AN OUT-OF-STATE VENDOR, AS  
2 DEFINED IN § 11-701 OF THIS TITLE; and

3                            [(iii)] (IV)                    contains a statement to the effect that the tangible  
4 personal property or taxable service is bought for the purpose of resale.

5        SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 July 1, 1998.