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By: **Prince George's County Delegation**  
Introduced and read first time: February 9, 1998  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 27, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's County -- Arts and Entertainment District**  
3 **PG 402-98**  
4 **Task Force to Study an Arts and Entertainment District in Prince George's**  
5 **County**

6 FOR the purpose of ~~authorizing the governing body of Prince George's County to~~  
7 ~~establish an Arts and Entertainment District within which certain tax benefits~~  
8 ~~for qualifying residing artists would apply; providing a subtraction modification~~  
9 ~~under the income tax for certain income derived within an Arts and~~  
10 ~~Entertainment District by a qualifying residing artist; exempting from the sales~~  
11 ~~and use tax certain sales within an Arts and Entertainment District by~~  
12 ~~qualifying residing artists; defining certain terms; establishing a Task Force to~~  
13 ~~Study an Arts and Entertainment District in Prince George's County; specifying~~  
14 ~~the membership and duties of the Task Force; requiring the Task Force to report~~  
15 ~~to certain individuals on or before a certain date; and generally relating to the~~  
16 ~~establishment of an Arts and Entertainment District in Prince George's County~~  
17 ~~within which certain tax benefits for qualifying resident residing artists would~~  
18 ~~apply.~~

19 ~~BY adding to~~  
20 ~~Article 83A -- Department of Business and Economic Development~~  
21 ~~Section 4-701 to be under the new subtitle "Subtitle 7. Arts and Entertainment~~  
22 ~~Districts"~~  
23 ~~Annotated Code of Maryland~~  
24 ~~(1995 Replacement Volume and 1997 Supplement)~~

1 BY adding to  
 2 Article ~~Tax General~~  
 3 Section 10-207(s) and 11-227  
 4 Annotated Code of Maryland  
 5 (1988 Volume and 1997 Supplement)

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

8 **Article 83A—Department of Business and Economic Development**

9 SUBTITLE 7. ARTS AND ENTERTAINMENT DISTRICTS.

10 4-701.

11 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
 12 INDICATED.

13 (2) (I) "ARTISTIC WORK" MEANS AN ORIGINAL AND CREATIVE WORK,  
 14 WHETHER WRITTEN, COMPOSED, OR EXECUTED, THAT FALLS INTO ONE OF THE  
 15 FOLLOWING CATEGORIES:

- 16 1. A BOOK OR OTHER WRITING;
- 17 2. A PLAY OR THE PERFORMANCE OF A PLAY;
- 18 3. A MUSICAL COMPOSITION OR THE PERFORMANCE OF A  
 19 COMPOSITION;
- 20 4. A PAINTING OR OTHER PICTURE;
- 21 5. A SCULPTURE;
- 22 6. TRADITIONAL AND FINE CRAFTS;
- 23 7. THE CREATION OF A FILM OR THE ACTING WITHIN A FILM;  
 24 OR
- 25 8. THE CREATION OF A DANCE OR THE PERFORMANCE OF A  
 26 DANCE.

27 (II) "ARTISTIC WORK" INCLUDES ANY PRODUCT GENERATED AS A  
 28 RESULT OF ANY OF THE CATEGORIES LISTED UNDER SUBPARAGRAPH (I) OF THIS  
 29 PARAGRAPH.

30 (III) "ARTISTIC WORK" DOES NOT INCLUDE ANY PIECE OR  
 31 PERFORMANCE CREATED OR EXECUTED FOR INDUSTRY-ORIENTED OR  
 32 INDUSTRY-RELATED PRODUCTION.



~~1 PUBLICATION, PRODUCTION, OR SALE OF AN ARTISTIC WORK THAT THE ARTIST  
2 WROTE, COMPOSED, OR EXECUTED.~~

~~3 (3) FOR PURPOSES OF DETERMINING WHETHER INCOME IS DERIVED  
4 WITHIN AN ARTS AND ENTERTAINMENT DISTRICT FOR PURPOSES OF THIS  
5 SUBSECTION, A QUALIFYING RESIDING ARTIST SHALL ALLOCATE RECEIPTS AND  
6 EXPENSES AS THE COMPTROLLER MAY REQUIRE.~~

~~7 44-227.~~

~~8 (A) IN THIS SECTION, "ARTISTIC WORK", "ARTS AND ENTERTAINMENT  
9 DISTRICT", AND "QUALIFYING RESIDING ARTIST" HAVE THE MEANINGS STATED IN  
10 ARTICLE 83A, § 4-701 OF THE CODE.~~

~~11 (B) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF AN ARTISTIC  
12 WORK WITHIN AN ARTS AND ENTERTAINMENT DISTRICT IF THE SALE IS MADE BY A  
13 QUALIFYING RESIDING ARTIST WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED  
14 IN THE ARTS AND ENTERTAINMENT DISTRICT.~~

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
16 MARYLAND, That:

17 (a) There shall be a Task Force to Study an Arts and Entertainment District in  
18 Prince George's County consisting of the following members:

19 (1) Two members of the Prince George's County Delegation, appointed by  
20 the Chairman of the Delegation;

21 (2) Two members of the Prince George's County Council, appointed by  
22 the County Executive;

23 (3) Two representatives of the Comptroller's Office, appointed by the  
24 Comptroller; and

25 (4) Two representatives from the County who represent the interests of  
26 arts and entertainment, appointed by the County Executive.

27 (b) The County Executive of Prince George's County shall designate the  
28 Chairman of the Task Force.

29 (c) (1) The Task Force shall study ways to encourage the development of an  
30 Arts and Entertainment District in which qualifying resident artists and arts-related  
31 professional activities in Prince George's County shall be entitled to:

32 (i) Income tax exemptions;

33 (ii) Sales tax exemptions; or

34 (iii) Any other appropriate tax benefit for qualifying resident artists  
35 or art-related professional activities in Prince George's County.

1           (2)     The Task Force shall study the actual impact on State and local  
2 revenues of any of the options developed for the Arts and Entertainment District.

3           (3)     The Task Force shall submit a report to the Senate Budget and  
4 Taxation Committee, the House Ways and Means Committee, the Prince George's  
5 County Delegation, and the Prince George's County Council on or before December 1,  
6 1999, in accordance with § 2-1246 of the State Government Article, on its  
7 recommendations for developing tax benefits for resident artists and art-related  
8 professional activities in the Arts and Entertainment District of Prince George's  
9 County.

10       (d)     The Task Force shall terminate, and this Act shall be null and void after  
11 December 31, 1999 with no further action required by the General Assembly.

12       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 ~~October~~ July 1, 1998.