
By: **Senator Stoltzfus**
Introduced and read first time: February 6, 1998
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 25, 1998

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax - Nonprofit Organizations Located in Adjacent States**

3 FOR the purpose of ~~eliminating~~ altering a certain requirement for an organization
4 located in an adjacent state to be eligible for a certain exemption under the sales
5 and use tax for certain sales to certain nonprofit organizations.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 11-204(a)(3)
9 Annotated Code of Maryland
10 (1997 Replacement Volume)

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 11-204.

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

16 (3) a sale to a nonprofit organization made to carry on its work, if the
17 organization:

18 (i) 1. is located in the State; ~~or~~

19 2. is located in an adjacent jurisdiction ~~{and provides its~~
20 ~~services within the State on a routine and regular basis}; OR~~

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1 3. IS LOCATED IN AN ADJACENT JURISDICTION WHOSE LAW:

2 A. DOES NOT IMPOSE A SALES OR USE TAX ON A SALE TO A
3 NONPROFIT ORGANIZATION MADE TO CARRY ON ITS WORK; OR

4 B. CONTAINS A RECIPROCAL EXEMPTION FROM SALES AND
5 USE TAX FOR SALES TO NONPROFIT ORGANIZATIONS LOCATED IN ADJACENT
6 JURISDICTIONS SIMILAR TO THE EXEMPTION ALLOWED UNDER THIS SUBSECTION;

7 (ii) is a charitable, educational, or religious organization;

8 (iii) is not the United States; and

9 (iv) except for the American National Red Cross, is not a unit or
10 instrumentality of the United States;

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