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# By: Delegates Bozman, Cane, Sophocleus, Cryor, C. Davis, DeCarlo, Gordon, McClenahan, Shriver, Marriott, Hixson, Finifter, Love, Conway, McKee, Phillips, Klausmeier, Carlson, Heller, Healey, and Krysiak

Introduced and read first time: February 7, 2000 Assigned to: Ways and Means

# A BILL ENTITLED

## 1 AN ACT concerning

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## Sales and Use Tax - Detective, Guard, and Armored Car Security Services

3 FOR the purpose of altering the definition of taxable service under the sales and use

- 4 tax to exempt certain security services from the tax; providing for a delayed
- 5 effective date; and generally relating to the exemption of certain security
- 6 services from the sales and use tax.

7 BY repealing and reenacting, with amendments,

- 8 Article Tax General
- 9 Section 11-101(j)(3)(i) and (k)(10)
- 10 Annotated Code of Maryland
- 11 (1997 Replacement Volume and 1999 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

13 MARYLAND, That the Laws of Maryland read as follows:

# 14 Article - Tax - General 15 11-101. 16 (j) (3) "Taxable price" does not include:

17 (i) a charge that is made in connection with a sale and is stated as 18 a separate item of the consideration for:

191.a delivery, freight, or other transportation service for20delivery directly to the buyer by the vendor or by another person acting for the

21 vendor, unless the transportation service is a taxable service;

22 2. a finance charge, interest, or similar charge for credit 23 extended to the buyer;

24 3. a labor or service for application or installation;

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| <ol> <li>4. a mandatory gratuity or service charge in the nature of a</li> <li>tip for serving food or beverage to a group of 10 or fewer individuals for consumption</li> <li>on the premises of the vendor;</li> </ol>            |                  |  |
|---|------------------|--|
| 4   | 5.               | a professional service;  |
| 5   | 6.               | a tax:   |
| 6 A. imposed by a county on the sale of coal, electricity, oil,<br>7 nuclear fuel assemblies, steam, or artificial or natural gas;  |                  |  |
| <ul><li>8</li><li>9 Article, as a surcharge on the</li></ul>  | B.<br>generatio  | imposed under § 3-302(a) of the Natural Resources<br>on of electricity, and added to an electric bill; |
| 10 C. imposed under §§ 6-201 through 6-203 of the Tax -<br>11 Property Article, on tangible personal property subject to a lease that is for an initial<br>12 period that exceeds 1 year and is noncancellable except for cause; or |                  |  |
| D. imposed under § 4-102 of this article on the gross receipts<br>derived from an admissions and amusement charge; OR   |                  |  |
| <ul><li>15</li><li>16 production of audio, video, or</li></ul>  | 7.<br>r film rec | any service for the operation of equipment used for the cordings; [or                                  |
| <ul><li>17</li><li>18 party and incurred in connect</li></ul>   | 8.<br>tion with  | reimbursement of incidental expenses paid to a third providing a taxable detective service;] or        |
| 19 (k) "Taxable service" means:   |                  |  |
| 20 (10) a [secu   | rity servi       | ce, including:   |
| 21 (i)  | a detec          | tive, guard, or armored car service; and   |
| 22 (ii)   | a] secu          | rity systems service;  |
| 23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect<br>24 July 1, 2001.  |                  |  |

24 July 1, 2001.

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