
By: **Delegates Moe, Barkley, Boutin, Bobo, Bozman, Brown, Busch, Conroy, Frush, Glassman, Griffith, Healey, Hill, Hubbard, James, Menes, Palumbo, Patterson, Pitkin, Ports, Proctor, Riley, Rudolph, Sher, and Shriver**

Introduced and read first time: February 10, 2000
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemptions - Sales by Public Schools and Nonprofit**
3 **Organizations**

4 FOR the purpose of exempting from the sales and use tax certain sales by a public
5 primary or secondary school or a nonprofit parent-teacher association or other
6 nonprofit organization within a public primary or secondary school in the State
7 under certain circumstances; repealing the exemption from the sales and use
8 tax of certain sales by nonpublic primary or secondary schools; and generally
9 relating to a sales tax exemption for sales by public schools, parent-teacher
10 associations, and nonprofit organizations.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 11-204(b)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 1999 Supplement)

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

18 **Article - Tax - General**

19 11-204.

20 (b) The sales and use tax does not apply to a sale by:

21 (1) a bona fide church or religious organization, if the sale is made for
22 the general purposes of the church or organization;

23 (2) a gift shop at a mental hospital that the Department of Health and
24 Mental Hygiene operates;

25 (3) a hospital thrift shop that:

- 1 (i) is operated by all volunteer staff;
- 2 (ii) sells only donated articles;
- 3 (iii) contributes the profits from sales to the hospital with which the
4 shop is associated; and
- 5 (iv) is not operated in conjunction with a gift shop or another retail
6 establishment;
- 7 (4) a vending facility operated under the Maryland Vending Program for
8 the Blind if:
- 9 (i) the facility is located on property held or acquired by or for the
10 use of the United States for any military or naval purpose; and
- 11 (ii) a post exchange or other tax exempt concession is located and
12 operated on the same property; or
- 13 (5) [an elementary] A PUBLIC PRIMARY or secondary school in the State
14 or a nonprofit parent-teacher organization or other nonprofit organization within [an
15 elementary] A PUBLIC PRIMARY or secondary school in the State [for the sale of
16 magazine subscriptions in a fund-raising campaign, if the net proceeds are used
17 solely for the educational benefit of the school or its students, including a sale
18 resulting from an agreement or contract with an organization to participate in a
19 fund-raising campaign for a percentage of the gross receipts under which students
20 act as agents or salespersons for the organization by selling or taking orders for the
21 sale], IF THE PROCEEDS OF THE SALE ARE USED FOR THE GENERAL PURPOSES OF
22 THE SCHOOL.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2000.