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By: **Delegates R. Baker, Benson, Palumbo, Frush, Love, Proctor, Pitkin,  
Moe, Conroy, and Howard**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemption for Sales Under One Dollar**

3 FOR the purpose of exempting from the sales and use tax sales of tangible personal  
4 property and taxable services having a taxable price less than a certain amount;  
5 and generally relating to the application of the sales and use tax.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 11-104(a)  
9 Annotated Code of Maryland  
10 (1997 Replacement Volume and 1999 Supplement)

11 BY adding to  
12 Article - Tax - General  
13 Section 11-227  
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 11-104.

20 (a) Except as otherwise provided in this section, the sales and use tax rate is:

21 [(1) for a taxable price of less than \$1:

22 (i) 1 cent if the taxable price is 20 cents; and

23 (ii) 1 cent for each additional 20 cents or part of 20 cents; and

24 (2) for a taxable price of \$1 or more:

1 (i)] (1) 5 cents for each exact dollar; and

2 [(ii)] (2) 1 cent for each 20 cents or part of 20 cents in excess of an  
3 exact dollar.

4 11-227.

5 THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF TANGIBLE PERSONAL  
6 PROPERTY OR A TAXABLE SERVICE FOR A TAXABLE PRICE OF LESS THAN \$1.

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