Unofficial Copy Q4 2001 Regular Session 1lr1927 CF 1lr0525

By: Delegates Shank, Stull, Donoghue, McKee, and Snodgrass Introduced and read first time: January 29, 2001 Assigned to: Ways and Means A BILL ENTITLED 1 AN ACT concerning 2 Sales and Use Tax - Exemptions - Motor Oil and Fencing Materials for Farm 3 4 FOR the purpose of exempting from the sales and use tax the sale of certain motor oil 5 or certain fencing materials for agricultural purposes; and generally relating to 6 an exemption under the sales and use tax for certain motor oil or certain fencing 7 materials for agricultural purposes. BY repealing and reenacting, with amendments, 8 Article - Tax - General 10 Section 11-201 Annotated Code of Maryland 11 (1997 Replacement Volume and 2000 Supplement) 12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 13 14 MARYLAND, That the Laws of Maryland read as follows: Article - Tax - General 15 16 11-201. 17 (a) The sales and use tax does not apply to a sale of the following items for an 18 agricultural purpose: 19 livestock; (1) 20 (2) feed or bedding for livestock; 21 (3) seed, fertilizer, fungicide, herbicide, or insecticide; 22 (4) baler twine or wire; 23 fuel AND MOTOR OIL for use in farm equipment or a farm tractor, as (5)

24 defined in §§ 11-120 and 11-121 of the Transportation Article; [and]

## **HOUSE BILL 350**

3 4	(6) TANGIBLE PERSONAL PROPERTY PURCHASED FOR USE BY A FARMER OR BY A CONTRACTOR UNDER A CONTRACT WITH A FARMER FOR THE CONSTRUCTION, MAINTENANCE, OR REPAIR OF FENCING ON A FARM, IF THE BUYER INTENDS TO INCORPORATE THE TANGIBLE PERSONAL PROPERTY AS PART OF THE FENCING; AND					
6		[(6)]	(7)	if bough	by a farmer:	
7 8	market;		(i)	a contain	er to transport farm products that the farmer raises to	
9 10	(ii) a farm vehicle, as defined in § 13-911(d) of the Transportation Article, when used in farming;					
11			(iii)	a milking	g machine, when used in farming;	
12 13	(iv) fabrication, processing, or service, by a sawmill, of wood products for farm use in which the farmer retains title; and					
14			(v)	farm equ	ipment when used to:	
15				1.	raise livestock;	
16				2.	prepare, irrigate, or tend the soil; or	
17 18	or crops.			3.	plant, service, harvest, store, clean, dry, or transport seeds	
	19 (b) Except for flowers, sod, decorative trees and shrubs, and any other product 20 that usually is sold by a nursery or horticulturist, the sales and use tax does not apply 21 to a sale of an agricultural product by a farmer.					

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 23 July 1, 2001.