
By: **Delegate Cryor**

Introduced and read first time: February 7, 2001

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Tax-Free Week for Personal Computers**

3 FOR the purpose of designating a certain week in a certain calendar year to be a
4 tax-free week during which a certain sales and use tax exemption for certain
5 sales of personal computers will apply; providing for a certain exemption from
6 the sales and use tax for certain sales of personal computers during a certain
7 tax-free week; defining a certain term; and generally relating to the designation
8 of a certain tax-free week for personal computer shopping.

9 BY adding to
10 Article - Tax - General
11 Section 11-229
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2000 Supplement)

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

16 **Article - Tax - General**

17 11-229.

18 (A) IN THIS SECTION:

19 (1) "PERSONAL COMPUTER" MEANS A LAPTOP, DESKTOP, OR TOWER
20 COMPUTER SYSTEM THAT CONTAINS AT A MINIMUM A CENTRAL PROCESSING UNIT,
21 RANDOM ACCESS MEMORY, A STORAGE DRIVE, A DISPLAY MONITOR, AND A
22 KEYBOARD;

23 (2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, "PERSONAL
24 COMPUTER" INCLUDES ALL COMPUTER HARDWARE AND SOFTWARE SOLD
25 TOGETHER WITH A COMPUTER SYSTEM IN THE SAME RETAIL SALE; AND

26 (3) "PERSONAL COMPUTER" DOES NOT INCLUDE:

27 (I) MINICOMPUTERS;

- 1 (II) MAINFRAME COMPUTERS;
- 2 (III) NETWORK SERVERS, LOCAL AREA HUBS, ROUTERS, AND
3 CABLING;
- 4 (IV) HARDWARE WORD PROCESSORS;
- 5 (V) PERSONAL DIGITAL ASSISTANTS;
- 6 (VI) GRAPHICAL CALCULATORS;
- 7 (VII) HAND-HELD COMPUTERS;
- 8 (VIII) GAME CONSOLES;
- 9 (IX) INTERNET TELEVISION DEVICES;
- 10 (X) NETWORK OPERATING SYSTEMS;
- 11 (XI) MULTIPLE-USER LICENSED SOFTWARE AND HARDWARE; OR
- 12 (XII) INTERNAL OR EXTERNAL COMPONENTS OR ADD-ON
13 COMPONENTS SOLD AT A SEPARATE RETAIL SALE.

14 (B) (1) THE WEEK FROM FEBRUARY 1, 2002 THROUGH FEBRUARY 7, 2002
15 SHALL BE A TAX-FREE WEEK FOR PERSONAL COMPUTER SHOPPING DURING WHICH
16 THE EXEMPTION UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL APPLY.

17 (2) DURING THE TAX-FREE WEEK FOR PERSONAL COMPUTER SHOPPING
18 ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SALES AND USE
19 TAX DOES NOT APPLY TO THE SALE OF A PERSONAL COMPUTER TO AN INDIVIDUAL
20 FOR NONBUSINESS USE.

21 (3) THE EXEMPTION UNDER PARAGRAPH (2) OF THIS SUBSECTION DOES
22 NOT APPLY TO THE LEASING OR RENTAL OF A PERSONAL COMPUTER.

23 (C) TO BE ELIGIBLE FOR THE EXEMPTION UNDER SUBSECTION (B) OF THIS
24 SECTION, A BUYER SHALL:

25 (1) PAY THE PURCHASE PRICE AND TAKE DELIVERY OF THE PERSONAL
26 COMPUTER DURING THE TAX-FREE WEEK FOR PERSONAL COMPUTER SHOPPING; OR

27 (2) PLACE AN ORDER AND PAY THE PURCHASE PRICE FOR THE
28 PERSONAL COMPUTER DURING THE TAX-FREE WEEK FOR PERSONAL COMPUTER
29 SHOPPING, EVEN IF DELIVERY TAKES PLACE AFTER THE TAX-FREE WEEK.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2001.