**Unofficial Copy** Q4

2001 Regular Session 1lr0525 CF 1lr1927

By: Senators McCabe, Colburn, Currie, Dyson, Ferguson, Haines, Harris, Hogan, Hooper, Jacobs, Madden, Mooney, Munson, and Stoltzfus Introduced and read first time: February 2, 2001

Assigned to: Budget and Taxation

	A BILL ENTITLED						
1	1 AN ACT concerning						
2 3	Sales and Use Tax - Exemptions - Motor Oil and Fencing Materials for Farm Use						
4 5 6 7	an exemption under the sales and use tax for certain motor oil or certain fencing						
9 10 11	8 BY repealing and reenacting, with amendments, 9 Article - Tax - General 10 Section 11-201 11 Annotated Code of Maryland 12 (1997 Replacement Volume and 2000 Supplement)						
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:							
15	Article - Tax - General						
16	11-201.						
17 18	7 (a) The sales and use tax does not apply to a sale of the following items for an 8 agricultural purpose:						
19	(1) livestock;						
20	(2) feed or bedding for livestock;						
21	(3) seed, fertilizer, fungicide, herbicide, or insecticide;						
22	(4) baler twine or wire;						
	23 (5) fuel AND MOTOR OIL for use in farm equipment or a farm tractor, as 24 defined in §§ 11-120 and 11-121 of the Transportation Article; [and]						

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3	1 (6) TANGIBLE PERSONAL PROPERTY PURCHASED FOR USE BY A FARMER 2 OR BY A CONTRACTOR UNDER A CONTRACT WITH A FARMER FOR THE 3 CONSTRUCTION, MAINTENANCE, OR REPAIR OF FENCING ON A FARM, IF THE BUYER 4 INTENDS TO INCORPORATE THE TANGIBLE PERSONAL PROPERTY AS PART OF THE 5 FENCING; AND						
6	]	(6)]	(7)	if bought	by a farmer:		
7 8	market;		(i)	a contain	er to transport farm products that the farmer raises to		
9 10	9 (ii) a farm vehicle, as defined in § 13-911(d) of the Transportation 10 Article, when used in farming;						
11			(iii)	a milking	g machine, when used in farming;		
12 13	2 (iv) fabrication, processing, or service, by a sawmill, of wood 3 products for farm use in which the farmer retains title; and						
14			(v)	farm equipment 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.