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  Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 21, 2001					
1 AN ACT concerning					
Sales and Use Tax - Exemptions - Motor Oil and Fencing Materials for Farm Use					
FOR the purpose of exempting from the sales and use tax the sale of certain motor oil or certain fencing materials for agricultural purposes; and generally relating to an exemption under exemptions to the sales and use tax for certain motor oil or certain fencing materials for agricultural purposes.					
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)					
13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 14 MARYLAND, That the Laws of Maryland read as follows:					
15 Article - Tax - General					
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 (1) livestock;					
20 (2) feed or bedding for livestock;					

## **SENATE BILL 512**

1	(3)	seed, fertilizer, fungicide, herbicide, or insecticide;				
2	(4)	baler twine or wire;				
3 4	(5) defined in §§ 11-120	fuel AND MOTOR OIL for use in farm equipment or a farm tractor, as and 11-121 of the Transportation Article; [and]				
5 (6) TANGIBLE PERSONAL PROPERTY PURCHASED FOR USE BY A FARMER 6 OR BY A CONTRACTOR UNDER A CONTRACT WITH A FARMER FOR THE 7 CONSTRUCTION, MAINTENANCE, OR REPAIR OF FENCING ON A FARM, IF THE BUYER 8 INTENDS TO INCORPORATE THE TANGIBLE PERSONAL PROPERTY AS PART OF THE 9 FENCING; AND						
10	<del>[</del> (6) <del>]</del>	<del>(7)</del>	if bought by a farmer:			
11 12	market;	(i)	a contair	ner to transport farm products that the farmer raises to		
13 (ii) a farm vehicle, as defined in § 13-911(d) of the Transportation 14 Article, when used in farming;						
15		(iii)	a milking	g machine, when used in farming;		
16 17	16 (iv) fabrication, processing, or service, by a sawmill, of wood 17 products for farm use in which the farmer retains title; and					
18		(v)	farm equ	ripment when used to:		
19			1.	raise livestock;		
20			2.	prepare, irrigate, or tend the soil; or		
21 22	or crops.		3.	plant, service, harvest, store, clean, dry, or transport seeds		
	Except for flowers, sod, decorative trees and shrubs, and any other product that usually is sold by a nursery or horticulturist, the sales and use tax does not apply to a sale of an agricultural product by a farmer.					
	26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 27 July 1, 2001.					