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By: Delegates Hixson, C. Davis, Healey, Bozman, Howard, Franchot, and Hurson				
Introduced and read first time: January 28, 2002				
Assigned to: Ways and Means				
Committee Report: Favorable				
House action: Adopted				
Read second time: March 12, 2002				
CHAPTER				
1 AN ACT concerning				
2 Sales and Use Tax - Taxable Price - Communications Services				
3 FOR the purpose of excluding from the taxable price subject to the sales and use tax				
4 certain charges for nontaxable services made in connection with a sale of a				
taxable communication service under certain circumstances; and generally				
6 relating to the sales and use taxation of certain communications services.				
7 BY repealing and reenacting, with amendments,				
8 Article - Tax - General				
9 Section 11-101(j)(3)				
Annotated Code of Maryland				
11 (1997 Replacement Volume and 2001 Supplement)				
12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF				
13 MARYLAND, That the Laws of Maryland read as follows:				
14 Article - Tax - General				
15 11-101.				
16 (j) (3) "Taxable price" does not include:				
17 (i) a charge that is made in connection with a sale and is stated as 18 a separate item of the consideration for:				

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	delivery directly to the buyer by vendor, unless the transportation		a delivery, freight, or other transportation service for dor or by another person acting for the e is a taxable service;
4 5	extended to the buyer;	2.	a finance charge, interest, or similar charge for credit
6		3.	a labor or service for application or installation;
	tip for serving food or beverag on the premises of the vendor;	4. e to a gro	a mandatory gratuity or service charge in the nature of a sup of 10 or fewer individuals for consumption
10		5.	a professional service;
11		6.	a tax:
12 13	nuclear fuel assemblies, steam	A. , or artifi	imposed by a county on the sale of coal, electricity, oil, cial or natural gas;
14 15	Article, as a surcharge on elec	B. tricity, ar	imposed under § 3-302(a) of the Natural Resources and added to an electric bill;
			imposed under §§ 6-201 through 6-203 of the Tax - property subject to a lease that is for an initial ncellable except for cause; or
19 20	derived from an admissions ar	D. nd amuse	imposed under § 4-102 of this article on the gross receipts ment charge;
21 22	production of audio, video, or	7. film reco	any service for the operation of equipment used for the ordings; or
23 24		8. on with p	reimbursement of incidental expenses paid to a third providing a taxable detective service; [or]
25 26	(ii) a purchaser of the following re		e of a used component or part (core value) received from stured truck parts:
27		1.	an air brake system;
28		2.	an engine;
29		3.	a rear axle carrier; or
30		4.	a transmission; OR
33	NONTAXABLE CHARGES	LE OF A ARE AG	RGE FOR A NONTAXABLE SERVICE THAT IS MADE IN TAXABLE COMMUNICATION SERVICE, EVEN IF THE GREGATED WITH AND NOT SEPARATELY STATED OR COMMUNICATIONS SERVICES. IF THE VENDOR

- 1 CAN REASONABLY IDENTIFY CHARGES NOT SUBJECT TO TAX FROM ITS BOOKS AND
- 2 RECORDS THAT ARE KEPT IN THE REGULAR COURSE OF BUSINESS.
- 3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 4 July 1, 2002.