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By: **Delegates Stocksdale, Amedori, Cadden, Edwards, Elliott, Getty,  
Glassman, Greenip, Hubers, Mohorovic, Riley, Shank, and Sophocleus**

Introduced and read first time: February 12, 2002

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemptions - Nonprofit Organizations**

3 FOR the purpose of providing an exemption from the sales and use tax for certain  
4 sales to certain nonprofit organizations under certain circumstances; and  
5 generally relating to an exemption from the sales and use tax for certain sales to  
6 certain nonprofit organizations under certain circumstances.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - General  
9 Section 11-204(a)(6) and (7)  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 2001 Supplement)

12 BY adding to  
13 Article - Tax - General  
14 Section 11-204(a)(8)  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume and 2001 Supplement)

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

19 **Article - Tax - General**

20 11-204.

21 (a) The sales and use tax does not apply to:

22 (6) a sale of tangible personal property to a nonprofit parent-teacher  
23 association located in the State if the association makes the purchase to contribute  
24 the property to a school to which a sale is exempt under item (3) of this subsection or  
25 § 11-220 of this subtitle; [or]

1 (7) a sale to a nonprofit organization made to carry on its work, if the  
2 organization:

3 (i) is qualified as tax exempt under § 501(c)(4) of the Internal  
4 Revenue Code; and

5 (ii) is engaged primarily in providing a program to render its best  
6 efforts to contain, clean up, and otherwise mitigate spills of oil or other substances  
7 occurring in United States coastal and tidal waters; OR

8 (8) A SALE TO A NONPROFIT ORGANIZATION MADE TO CARRY ON ITS  
9 WORK, IF THE ORGANIZATION:

10 (I) IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(4) OF THE  
11 INTERNAL REVENUE CODE; AND

12 (II) POSSESSES AN EFFECTIVE DETERMINATION LETTER OF  
13 STATUS UNDER § 501(C)(4) OF THE INTERNAL REVENUE CODE FROM THE INTERNAL  
14 REVENUE SERVICE.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 July 1, 2002.