

SENATE BILL 276

Unofficial Copy  
Q4  
SB 572/01 - B&T

2002 Regular Session  
2lr0746

---

By: **Senators Hooper, Colburn, Ferguson, Harris, Jacobs, Kelley, Lawlah,  
Schrader, and Teitelbaum**

Introduced and read first time: January 23, 2002

Assigned to: Budget and Taxation

---

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Film Production Activity - Smoking**

3 FOR the purpose of providing an exception to a certain exemption under the sales and  
4 use tax for a sale of tangible personal property or a taxable service used directly  
5 in connection with a film production activity that contains scenes in which  
6 actors are smoking; and generally relating to an exception to a certain  
7 exemption under the sales and use tax for a sale of tangible personal property or  
8 a taxable service used directly in connection with a film production activity that  
9 contains scenes in which actors are smoking.

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - General  
12 Section 11-227  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 2001 Supplement)

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

17 **Article - Tax - General**

18 11-227.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) (i) "Film production activity" means the production or  
21 postproduction of film or video projects including feature films, television projects,  
22 commercials, corporate films, infomercials, music videos, or other projects for which  
23 the producer or production company will be compensated, and which are intended for  
24 nationwide commercial distribution.

25 (ii) "Film production activity" includes the production or  
26 postproduction of digital, animation, and multimedia projects.

27 (iii) "Film production activity" does not include:

1                                   1.       production or postproduction of student films or  
2 noncommercial personal videos; or

3                                   2.       any activity not necessary to and undertaken directly and  
4 exclusively for the making of a master film, tape, or image.

5                   (3)       "Tangible personal property or a taxable service used directly in  
6 connection with a film production activity" includes:

7                                   (i)       camera equipment and supplies;

8                                   (ii)      film and tape;

9                                   (iii)     lighting and stage equipment and supplies;

10                                  (iv)     sound equipment and supplies;

11                                  (v)     recording equipment and supplies;

12                                  (vi)     costumes, wardrobes, and materials to construct them;

13                                  (vii)    props, scenery, and materials to construct them;

14                                  (viii)   design supplies and equipment;

15                                  (ix)     drafting supplies and equipment;

16                                  (x)     special effects supplies and equipment;

17                                  (xi)     short-term vehicle rentals; and

18                                  (xii)    fabrication, printing, or production of scripts, storyboards,  
19 costumes, wardrobes, props, scenery, or special effects.

20       (b)       [The] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE  
21 sales and use tax does not apply to a sale of tangible personal property or a taxable  
22 service used directly in connection with a film production activity by a film producer  
23 or production company certified by the Department of Business and Economic  
24 Development under Article 83A, § 4-501 of the Code.

25       (C)       THE EXEMPTION IN SUBSECTION (B) OF THIS SECTION DOES NOT APPLY  
26 TO A SALE OF TANGIBLE PERSONAL PROPERTY OR A TAXABLE SERVICE USED  
27 DIRECTLY IN CONNECTION WITH A FILM PRODUCTION ACTIVITY THAT CONTAINS  
28 SCENES IN WHICH ACTORS ARE SMOKING.

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