
By: **Delegates Hixson and Rawlings**
Introduced and read first time: February 18, 2003
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Rate**

3 FOR the purpose of altering the rate of the sales and use tax; and generally relating
4 to altering the rate of the sales and use tax.

5 BY repealing and reenacting, with amendments,
6 Article - Tax - General
7 Section 11-104(a) and (b) and 11-301
8 Annotated Code of Maryland
9 (1997 Replacement Volume and 2002 Supplement)

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

12 **Article - Tax - General**

13 11-104.

14 (a) Except as otherwise provided in this section, the sales and use tax rate is:

15 (1) for a taxable price of less than \$1:

16 (i) 1 cent if the taxable price is 20 cents; [and]

17 (ii) [1 cent for each additional 20 cents or part of 20 cents] 2 CENTS
18 IF THE TAXABLE PRICE IS AT LEAST 21 CENTS BUT LESS THAN 34 CENTS; [and]

19 (III) 3 CENTS IF THE TAXABLE PRICE IS AT LEAST 34 CENTS BUT
20 LESS THAN 51 CENTS;

21 (IV) 4 CENTS IF THE TAXABLE PRICE IS AT LEAST 51 CENTS BUT
22 LESS THAN 67 CENTS;

23 (V) 5 CENTS IF THE TAXABLE PRICE IS AT LEAST 67 CENTS BUT
24 LESS THAN 84 CENTS; AND

1 (VI) 6 CENTS IF THE TAXABLE PRICE IS AT LEAST 84 CENTS; AND

2 (2) for a taxable price of \$1 or more:

3 (i) [5] 6 cents for each exact dollar; and

4 (ii) [1 cent for each 20 cents or part of 20 cents] FOR THAT PART OF
5 A DOLLAR in excess of an exact dollar:

6 1. 1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS AT
7 LEAST 1 CENT BUT LESS THAN 17 CENTS;

8 2. 2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT
9 LEAST 17 CENTS BUT LESS THAN 34 CENTS;

10 3. 3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT
11 LEAST 34 CENTS BUT LESS THAN 51 CENTS;

12 4. 4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT
13 LEAST 51 CENTS BUT LESS THAN 67 CENTS;

14 5. 5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT
15 LEAST 67 CENTS BUT LESS THAN 84 CENTS; AND

16 6. 6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT
17 LEAST 84 CENTS.

18 (b) If a retail sale of tangible personal property or a taxable service is made
19 through a vending or other self-service machine, the sales and use tax rate is [5%]
20 6%, applied to [95.25%] 94.5% of the gross receipts from the vending machine sales.

21 11-301.

22 The sales and use tax is computed on:

23 (1) the taxable price of each separate sale;

24 (2) if a combined sale is made, the combined taxable price of all retail
25 sales on the same occasion by the same vendor to the same buyer; or

26 (3) if retail sales of tangible personal property or a taxable service are
27 made through vending or other self-service machines, [95.25%] 94.5% of the gross
28 receipts from the retail sales.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 2003.