
By: **Senators Ruben and Grosfeld**
Introduced and read first time: February 12, 2003
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemptions - Agricultural Products**

3 FOR the purpose of altering a certain exemption from the sales and use tax for
4 fertilizer, fungicide, herbicide, or insecticide for an agricultural purpose; and
5 generally relating to sales and use tax exemptions for certain items for an
6 agricultural purpose.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 11-201
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2002 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 11-201.

16 (a) The sales and use tax does not apply to a sale of the following items for an
17 agricultural purpose:

- 18 (1) livestock;
- 19 (2) feed or bedding for livestock;
- 20 (3) seed[, fertilizer, fungicide, herbicide, or insecticide];
- 21 (4) baler twine or wire;
- 22 (5) fuel for use in farm equipment or a farm tractor, as defined in §§
23 11-120 and 11-121 of the Transportation Article; and
- 24 (6) if bought by a farmer:

- 1 (i) a container to transport farm products that the farmer raises to
2 market;
- 3 (ii) a farm vehicle, as defined in § 13-911(d) of the Transportation
4 Article, when used in farming;
- 5 (iii) a milking machine, when used in farming;
- 6 (iv) fabrication, processing, or service, by a sawmill, of wood
7 products for farm use in which the farmer retains title; and
- 8 (v) farm equipment when used to:
- 9 1. raise livestock;
- 10 2. prepare, irrigate, or tend the soil; or
- 11 3. plant, service, harvest, store, clean, dry, or transport seeds
12 or crops.

13 (b) Except for flowers, sod, decorative trees and shrubs, and any other product
14 that usually is sold by a nursery or horticulturist, the sales and use tax does not apply
15 to a sale of an agricultural product by a farmer.

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