
By: **Delegates Impallaria, Jennings, McDonough, Cluster, and Kohl**
Introduced and read first time: February 9, 2006
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemption - Veterans Organizations**

3 FOR the purpose of providing an exemption from the sales and use tax for sales to
4 certain veterans organizations; and generally relating to the sales and use tax
5 and exempting sales to certain veterans organizations.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 11-204(a)
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2005 Supplement)

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

13 **Article - Tax - General**

14 11-204.

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

16 (1) a sale to a cemetery company, as described in § 501(c)(13) of the
17 Internal Revenue Code in effect on July 1, 1987;

18 (2) a sale to a credit union organized under the laws of the State or of the
19 United States;

20 (3) a sale to a nonprofit organization made to carry on its work, if the
21 organization:

22 (i) 1. is located in the State;

23 2. is located in an adjacent jurisdiction and provides its
24 services within the State on a routine and regular basis; or

25 3. is located in an adjacent jurisdiction whose law:

1 A. does not impose a sales or use tax on a sale to a nonprofit
2 organization made to carry on its work; or

3 B. contains a reciprocal exemption from sales and use tax for
4 sales to nonprofit organizations located in adjacent jurisdictions similar to the
5 exemption allowed under this subsection;

6 (ii) is a charitable, educational, or religious organization;

7 (iii) is not the United States; and

8 (iv) except for the American National Red Cross, is not a unit or
9 instrumentality of the United States;

10 (4) a sale, not exceeding \$500, to a nonprofit incorporated senior citizens'
11 organization made to carry on its work, if the organization:

12 (i) is located in the State; and

13 (ii) receives funding from the State or a political subdivision of the
14 State;

15 (5) a sale to a volunteer fire company or department or volunteer
16 ambulance company or rescue squad located in the State made to carry on the work of
17 the company, department, or squad;

18 (6) a sale of tangible personal property to a nonprofit parent-teacher
19 association located in the State if the association makes the purchase to contribute
20 the property to a school to which a sale is exempt under item (3) of this subsection or
21 § 11-220 of this subtitle; [or]

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

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

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

29 (8) A SALE TO A BONA FIDE NATIONALLY ORGANIZED AND RECOGNIZED
30 ORGANIZATION OF VETERANS OF THE ARMED FORCES OF THE UNITED STATES OR AN
31 AUXILIARY UNIT OR SOCIETY OF THE ORGANIZATION, IF THE ORGANIZATION IS
32 QUALIFIED AS TAX EXEMPT UNDER § 501(C)(19) OF THE INTERNAL REVENUE CODE.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2006.