

(PRE-FILED)

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By: **Senators Harris and Stone**  
Requested: September 15, 2005  
Introduced and read first time: January 11, 2006  
Assigned to: Budget and Taxation

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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

- 1                                   3.       is located in an adjacent jurisdiction whose law:
- 2                                   A.       does not impose a sales or use tax on a sale to a nonprofit  
3 organization made to carry on its work; or
- 4                                   B.       contains a reciprocal exemption from sales and use tax for  
5 sales to nonprofit organizations located in adjacent jurisdictions similar to the  
6 exemption allowed under this subsection;
- 7                                   (ii)     is a charitable, educational, or religious organization;
- 8                                   (iii)    is not the United States; and
- 9                                   (iv)     except for the American National Red Cross, is not a unit or  
10 instrumentality of the United States;
- 11                               (4)     a sale, not exceeding \$500, to a nonprofit incorporated senior citizens'  
12 organization made to carry on its work, if the organization:
- 13                                   (i)     is located in the State; and
- 14                                   (ii)     receives funding from the State or a political subdivision of the  
15 State;
- 16                               (5)     a sale to a volunteer fire company or department or volunteer  
17 ambulance company or rescue squad located in the State made to carry on the work of  
18 the company, department, or squad;
- 19                               (6)     a sale of tangible personal property to a nonprofit parent-teacher  
20 association located in the State if the association makes the purchase to contribute  
21 the property to a school to which a sale is exempt under item (3) of this subsection or  
22 § 11-220 of this subtitle; [or]
- 23                               (7)     a sale to a nonprofit organization made to carry on its work, if the  
24 organization:
- 25                                   (i)     is qualified as tax exempt under § 501(c)(4) of the Internal  
26 Revenue Code; and
- 27                                   (ii)     is engaged primarily in providing a program to render its best  
28 efforts to contain, clean up, and otherwise mitigate spills of oil or other substances  
29 occurring in United States coastal and tidal waters; OR
- 30                               (8)     A SALE TO A BONA FIDE NATIONALLY ORGANIZED AND RECOGNIZED  
31 ORGANIZATION OF VETERANS OF THE ARMED FORCES OF THE UNITED STATES OR AN  
32 AUXILIARY UNIT OR SOCIETY OF THE ORGANIZATION, IF THE ORGANIZATION IS  
33 QUALIFIED AS TAX EXEMPT UNDER § 501(C)(19) OF THE INTERNAL REVENUE CODE.

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