

1 (b) The sales and use tax does not apply to a sale by:

2 (1) a bona fide church or religious organization, if the sale is made for
3 the general purposes of the church or organization;

4 (2) a gift shop at a mental hospital that the Department of Health and
5 Mental Hygiene operates;

6 (3) a hospital thrift shop that:

7 (i) is operated by all volunteer staff;

8 (ii) sells only donated articles;

9 (iii) contributes the profits from sales to the hospital with which
10 the shop is associated; and

11 (iv) is not operated in conjunction with a gift shop or another
12 retail establishment;

13 (4) a vending facility operated under the Maryland Vending Program
14 for the Blind if:

15 (i) the facility is located on property held or acquired by or for
16 the use of the United States for any military or naval purpose; and

17 (ii) a post exchange or other tax exempt concession is located
18 and operated on the same property;

19 (5) an elementary or secondary school in the State or a nonprofit
20 parent-teacher organization or other nonprofit organization within an elementary or
21 secondary school in the State for the sale of magazine subscriptions in a fund-raising
22 campaign, if the net proceeds are used solely for the educational benefit of the school
23 or its students, including a sale resulting from an agreement or contract with an
24 organization to participate in a fund-raising campaign for a percentage of the gross
25 receipts under which students act as agents or salespersons for the organization by
26 selling or taking orders for the sale; or

27 (6) [subject to subsection (e) of this section, a bona fide church,
28 religious organization, or other] A nonprofit organization exempt from taxation under
29 § 501(c)(3) of the Internal Revenue Code if [:

1 (i) the sale is made at an auction sale; and

2 (ii)] the proceeds of the sale are used to carry on the exempt
3 purposes of the [church or] organization.

4 [(e) For a sale described under subsection (b)(6) of this section that is not
5 otherwise exempt under this section, only that part of the sale price that qualifies for a
6 deduction under the federal income tax as a charitable contribution under the
7 regulations and guidelines of the Internal Revenue Service is exempt from the sales
8 and use tax under this section.]

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2007.