

HOUSE BILL 9

Q4
HB 1413/07 – HRU

8lr4514

By: **Delegates Smigiel, Beitzel, Boteler, Elliott, George, Jennings, Kipke, McConkey, Miller, Myers, Shewell, Stull, and Weldon**
Introduced and read first time: October 29, 2007
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Payment of Tax by Seller**

3 FOR the purpose of repealing a prohibition against certain advertisements or
4 statements by vendors regarding the payment of the sales and use tax;
5 authorizing vendors to assume or absorb all or any part of the sales and use tax
6 imposed on a retail sale or use and to pay that sales and use tax on behalf of the
7 buyer; and generally relating to authorizing vendors to pay all or any part of the
8 sales and use tax imposed on a retail sale or use on behalf of the buyer.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 11–302, 11–402, and 11–601(b)(1)
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2007 Supplement)

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

16 **Article – Tax – General**

17 11–302.

18 For each retail sale or sale for use other than a sale under § 11–405 or § 11–406
19 of this title, the sales and use tax shall be:

- 20 (1) stated [and charged] separately from the sale price; and
21 (2) shown separately from the sale price on any record of a sale:
22 (i) at the time of the sale;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (ii) when the vendor issues evidence of the sale; or

2 (iii) when the vendor uses evidence of the sale.

3 11-402.

4 [A] **SUBJECT TO § 11-302 OF THIS TITLE, A** vendor may [not directly or
5 indirectly advertise, state, or otherwise hold out that any part of the sales and use tax:

6 (1) will be assumed or absorbed by the vendor;

7 (2) will not be added to the taxable price of tangible personal property
8 or a taxable service; or

9 (3) will be refunded if added to the taxable price of tangible personal
10 property or a taxable service]:

11 (1) **ASSUME OR ABSORB ALL OR ANY PART OF THE SALES AND USE**
12 **TAX IMPOSED ON A RETAIL SALE OR USE; AND**

13 (2) **PAY THAT SALES AND USE TAX ON BEHALF OF THE BUYER.**

14 11-601.

15 (b) (1) A vendor who makes a sale subject to the sales and use tax shall
16 pay the sales and use tax that the vendor collects for that sale **OR THAT THE VENDOR**
17 **ASSUMES OR ABSORBS FOR THAT SALE** with the return that covers the period in
18 which the vendor makes that sale.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2008.