

HOUSE BILL 53

Q4

8lr4554

By: **Delegate Howard**

Introduced and read first time: October 30, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Rates**

3 FOR the purpose of altering the rate of the sales and use tax; making this Act subject
4 to a certain contingency; providing for the effective date of this Act; and
5 generally relating to the sales and use tax rate.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 11-104(a)
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2007 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 11-104.

15 (a) Except as otherwise provided in this section, the sales and use tax rate is:

16 (1) for a taxable price of less than \$1:

17 (i) 1 cent if the taxable price is 20 cents; [and]

18 (ii) [1 cent for each additional 20 cents or part of 20 cents] **2**
19 **CENTS IF THE TAXABLE PRICE IS AT LEAST 21 CENTS BUT LESS THAN 29 CENTS;**
20 [and]

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (III) 3 CENTS IF THE TAXABLE PRICE IS AT LEAST 29 CENTS
2 BUT LESS THAN 43 CENTS;

3 (IV) 4 CENTS IF THE TAXABLE PRICE IS AT LEAST 43 CENTS
4 BUT LESS THAN 58 CENTS;

5 (V) 5 CENTS IF THE TAXABLE PRICE IS AT LEAST 58 CENTS
6 BUT LESS THAN 72 CENTS;

7 (VI) 6 CENTS IF THE TAXABLE PRICE IS AT LEAST 72 CENTS
8 BUT LESS THAN 86 CENTS; AND

9 (VII) 7 CENTS IF THE TAXABLE PRICE IS AT LEAST 86 CENTS;
10 AND

11 (2) for a taxable price of \$1 or more:

12 (i) [5] 7 cents for each exact dollar; and

13 (ii) [1 cent for each 20 cents or part of 20 cents] FOR THAT
14 PART OF A DOLLAR in excess of an exact dollar:

15 1. 1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS
16 AT LEAST 1 CENT BUT LESS THAN 15 CENTS;

17 2. 2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR
18 IS AT LEAST 15 CENTS BUT LESS THAN 29 CENTS;

19 3. 3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR
20 IS AT LEAST 29 CENTS BUT LESS THAN 43 CENTS;

21 4. 4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR
22 IS AT LEAST 43 CENTS BUT LESS THAN 58 CENTS;

23 5. 5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR
24 IS AT LEAST 58 CENTS BUT LESS THAN 72 CENTS;

25 6. 6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR
26 IS AT LEAST 72 CENTS BUT LESS THAN 86 CENTS; AND

27 7. 7 CENTS IF THE EXCESS OVER AN EXACT DOLLAR
28 IS AT LEAST 86 CENTS.

29 SECTION 2. AND BE IT FURTHER ENACTED, That:

1 (a) This Act shall take effect January 1, 2008, unless legislation is enacted
2 during the 2007 Special Session of the General Assembly to:

3 (1) expand the State's sales and use tax base; or

4 (2) limit the total funding required to provide an adequate education
5 for children attending public schools in the State in prekindergarten through grade 12,
6 through implementation of the programs commonly known as the Bridge to Excellence
7 in Public Schools Act, first enacted by Chapter 288 of the Acts of the General
8 Assembly of 2002.

9 (b) This Act shall be null and void without necessity of further action by the
10 General Assembly if legislation is enacted during the 2007 Special Session of the
11 General Assembly to:

12 (1) expand the State's sales and use tax base; or

13 (2) limit the total funding required to provide an adequate education
14 for children attending public schools in the State in prekindergarten through grade 12,
15 through implementation of the programs commonly known as the Bridge to Excellence
16 in Public Schools Act, first enacted by Chapter 288 of the Acts of the General
17 Assembly of 2002.