

SENATE BILL 30

Q4

8lr4607

By: **Senator Muse**

Introduced and read first time: October 30, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Surcharge – Tobacco Paraphernalia**

3 FOR the purpose of imposing a supplemental surcharge on the sale of tobacco
4 paraphernalia; establishing the rate of the surcharge; providing for the effective
5 date of this Act; and generally relating to imposing a supplemental surcharge on
6 the sale of tobacco paraphernalia.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 1–101(s) and 11–102
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2007 Supplement)

12 BY adding to
13 Article – Tax – General
14 Section 11–104(g)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2007 Supplement)

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

19 **Article – Tax – General**
20 1–101.

21 (s) (1) “Sales and use tax” means the tax imposed under Title 11 of this
22 article.

23 (2) “Sales and use tax” includes:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(I) the tax imposed on the use of certain electricity under § 11-1A-01 of this article[.];

[(3)] (II) ["Sales and use tax" includes] the hotel surcharge imposed under § 11-102(b) of this article; **AND**

(III) THE TOBACCO PARAPHERNALIA SURCHARGE IMPOSED UNDER § 11-102(C) OF THIS ARTICLE.

11-102.

(a) Except as otherwise provided in this title, a tax is imposed on:

(1) a retail sale in the State; and

(2) a use, in the State, of tangible personal property or a taxable service.

(b) (1) Subject to paragraph (2) of this subsection, in addition to the tax imposed under subsection (a) of this section, a hotel surcharge is imposed in Dorchester County on the sale of a right to occupy a room or lodgings as a transient guest in an establishment that offers at least 380 rooms.

(2) The hotel surcharge imposed under paragraph (1) of this subsection may not be imposed if the Maryland Economic Development Corporation certifies to the Comptroller that the bonds issued by the Maryland Economic Development Corporation secured by the Dorchester County Economic Development Fund established under § 5-216 of Article 83A of the Code have been paid in full.

(c) IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS SECTION, A TOBACCO PARAPHERNALIA SURCHARGE IS IMPOSED ON THE SALE OF EACH ITEM OF TOBACCO PARAPHERNALIA AS DEFINED IN § 10-101 OF THE CRIMINAL LAW ARTICLE.

(D) (1) A county, municipal corporation, special taxing district, or other political subdivision of the State may not impose any retail sales or use tax except:

(i) a sales tax or use tax that was in effect on January 1, 1971;

(ii) a tax on the sale or use of:

1. fuels;

2. utilities;

3. space rentals; or

1 4. any controlled dangerous substance, as defined in §
2 5–101 of the Criminal Law Article, unless the sale is made by a person who registers
3 under and complies with Title 5, Subtitle 3 of the Criminal Law Article; or

4 (iii) a tax imposed by a code county on the sale or use of food and
5 beverages authorized under Article 25B, § 13H of the Code.

6 (2) Paragraph (1) of this subsection may not be construed as
7 conferring authority to impose a sales and use tax.

8 11–104.

9 **(G) THE RATE OF THE TOBACCO PARAPHERNALIA SURCHARGE**
10 **IMPOSED UNDER § 11–102(C) OF THIS SUBTITLE IS \$20 FOR EACH ITEM OF**
11 **TOBACCO PARAPHERNALIA.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 January 1, 2008.