

HOUSE BILL 281

Q4

8lr2205

By: **Delegates Bohanan, G. Clagett, and Levy**

Introduced and read first time: January 23, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Computer Services – Government Contracts Exemption**

3 FOR the purpose of exempting from the sales and use tax certain computer services
4 used in fulfilling certain contracts; providing for the termination of this Act; and
5 generally relating to a sales and use tax exemption for the sale of certain
6 computer services.

7 BY adding to

8 Article – Tax – General

9 Section 11–230

10 Annotated Code of Maryland

11 (2004 Replacement Volume and 2007 Supplement)

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

14 **Article – Tax – General**

15 **11–230.**

16 **THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF COMPUTER**
17 **SERVICES TO BE USED DIRECTLY AND PREDOMINANTLY IN FULFILLING A**
18 **CONTRACT WITH THE FEDERAL GOVERNMENT OR A SUBCONTRACT UNDER A**
19 **CONTRACT WITH THE FEDERAL GOVERNMENT.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2008. It shall remain effective until the taking effect of the termination
22 provision specified in Section 13 of Chapter 3 of the Acts of the General Assembly of
23 the 2007 Special Session. If that termination provision takes effect, this Act shall be
24 abrogated and of no further force and effect. This Act may not be interpreted to have
25 any effect on that termination provision.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



