

# HOUSE BILL 1094

Q4

8lr2492

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By: **Delegates Murphy, Bartlett, Bohanan, Cardin, Elmore, Frick, George, Gilchrist, Hixson, Howard, Ivey, Jameson, Jennings, Kaiser, Krebs, Kullen, Levy, McKee, O'Donnell, Olszewski, Rice, Ross, Stukes, F. Turner, Walker, and Wood**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Nonprofit Organizations**

3 FOR the purpose of exempting from the sales and use tax a sale to certain  
4 organizations if the organization makes the purchase for certain purposes; and  
5 generally relating to certain sales and use tax exemptions.

6 BY repealing and reenacting, without amendments,  
7 Article – Tax – General  
8 Section 11–204(a)(3) and (5)  
9 Annotated Code of Maryland  
10 (2004 Replacement Volume and 2007 Supplement)

11 BY adding to  
12 Article – Tax – General  
13 Section 11–204(a–1)  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2007 Supplement)

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

18 **Article – Tax – General**

19 11–204.

20 (a) The sales and use tax does not apply to:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   (3)    a sale to a nonprofit organization made to carry on its work, if the  
2 organization:

3                           (i)    1.    is located in the State;

4                                   2.    is located in an adjacent jurisdiction and provides its  
5 services within the State on a routine and regular basis; or

6                                   3.    is located in an adjacent jurisdiction whose law:

7   A.    does not impose a sales or use tax on a sale to a  
8 nonprofit organization made to carry on its work; or

9   B.    contains a reciprocal exemption from sales and use  
10 tax for sales to nonprofit organizations located in adjacent jurisdictions similar to the  
11 exemption allowed under this subsection;

12                                   (ii)   is a charitable, educational, or religious organization;

13                                   (iii)  is not the United States; and

14                                   (iv)   except for the American National Red Cross, is not a unit or  
15 instrumentality of the United States;

16                   (5)    a sale to a volunteer fire company or department or volunteer  
17 ambulance company or rescue squad located in the State made to carry on the work of  
18 the company, department, or squad;

19                   **(A-1) THE SALES AND USE TAX DOES NOT APPLY TO A SALE TO AN**  
20 **ORGANIZATION DESCRIBED IN SUBSECTION (A)(3) OR (5) OF THIS SECTION IF**  
21 **THE ORGANIZATION MAKES THE PURCHASE TO DONATE THE PROPERTY TO**  
22 **ANOTHER ORGANIZATION DESCRIBED IN SUBSECTION (A)(3) OR (5) OF THIS**  
23 **SECTION.**

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