HOUSE BILL 1183

Q4   8lr2740

By: **Delegate Barve**
Introduced and read first time: February 8, 2008
Assigned to: Ways and Means

A BILL ENTITLED

1   AN ACT concerning

2   **Sales and Use Tax – Computer Services – Definition**

3   FOR the purpose of altering the definition of "computer service" under the sales and
4   use tax to provide that charges for certain services are not a computer service;
5   providing for the effective date of this Act; and generally relating to the
6   definition of "computer service" under the sales and use tax.

7   BY repealing and reenacting, with amendments,
8   Article – Tax – General
9   Section 11–101(c–1)
10   Annotated Code of Maryland
11   (2004 Replacement Volume and 2007 Supplement)
12   (As enacted by Chapter 3 of the Acts of the General Assembly of the 2007
13   Special Session)

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   11–101.

18   (c–1) (1)   "Computer service" includes:

19   (i)   computer facilities management and operation;

20   (ii)   custom computer programming;

21   (iii)   computer system planning and design that integrate
22   computer hardware, software, and communication technologies;

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

1   (iv)   computer disaster recovery;

2   (v)   data processing, storage, and recovery;

3   (vi)   hardware or software installation, maintenance, and repair.

4   (2)   "Computer service" does not include:

5   (i)   Internet access, as defined in the federal Internet Tax
6   Freedom Act;

7   (ii)   **A SERVICE THAT ENABLES USERS TO ACCESS CONTENT**
8   **OR INFORMATION OFFERED OVER THE INTERNET, SUCH AS ACCESS TO THE**
9   **HUMAN GENOME DATABASE;**

10   **(III)**   typing or data entry on word processing equipment;

11   **[**(iii)**] (IV)**   computer training;

12   **[**(iv)**] (V)**   the installation, maintenance, or repair of tangible
13   personal property other than computer hardware or software that includes computer
14   hardware or software as a component part; or

15   **[**(v)**] (VI)**   a service otherwise described in paragraph (1) of this
16   subsection that is provided as part of or in connection with:

17   1.   electronic fund transfers, financial transactions,
18   automated teller machine transactions, or other banking or trust services;

19   2.   business   management,   account   management,
20   personnel, payroll, employee benefit, or other administrative services;

21   3.   educational,   legal,   accounting,   architectural,
22   actuarial, medical, medical diagnostic, or other professional services; or

23   4. telecommunications services.

24   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25   July 1, 2008, the effective date of Chapter 3 of the Acts of the General Assembly of the
26   2007 Special Session. If the effective date of Chapter 3 is amended, this Act shall take
27   effect on the taking effect of Chapter 3.