

HOUSE BILL 1197

Q4

8lr1154

By: **Delegates Walkup, Eckardt, Elmore, Frank, McConkey, Smigiel, and Sossi**
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 – Exemption – Library Book Sales by Nonprofit**
3 **Organizations**

4 FOR the purpose of providing an exemption under the sales and use tax for certain
5 sales by certain nonprofit organizations authorized to perform certain services
6 for certain libraries; and generally relating to an exemption under the sales and
7 use tax for certain sales by certain nonprofit organizations authorized to
8 perform certain services for certain libraries.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 11–204(b)
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2007 Supplement)

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 11–204.

18 (b) The sales and use tax does not apply to a sale by:

19 (1) a bona fide church or religious organization, if the sale is made for
20 the general purposes of the church or organization;

21 (2) a gift shop at a mental hospital that the Department of Health and
22 Mental Hygiene operates;

23 (3) a hospital thrift shop that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) is operated by all volunteer staff;
- 2 (ii) sells only donated articles;
- 3 (iii) contributes the profits from sales to the hospital with which
4 the shop is associated; and
- 5 (iv) is not operated in conjunction with a gift shop or another
6 retail establishment;
- 7 (4) a vending facility operated under the Maryland Vending Program
8 for the Blind if:
- 9 (i) the facility is located on property held or acquired by or for
10 the use of the United States for any military or naval purpose; and
- 11 (ii) a post exchange or other tax exempt concession is located
12 and operated on the same property;
- 13 (5) an elementary or secondary school in the State or a nonprofit
14 parent-teacher organization or other nonprofit organization within an elementary or
15 secondary school in the State for the sale of magazine subscriptions in a fund-raising
16 campaign, if the net proceeds are used solely for the educational benefit of the school
17 or its students, including a sale resulting from an agreement or contract with an
18 organization to participate in a fund-raising campaign for a percentage of the gross
19 receipts under which students act as agents or salespersons for the organization by
20 selling or taking orders for the sale; [or]
- 21 (6) subject to subsection (e) of this section, a bona fide church,
22 religious organization, or other nonprofit organization exempt from taxation under §
23 501(c)(3) of the Internal Revenue Code if:
- 24 (i) the sale is made at an auction sale; and
- 25 (ii) the proceeds of the sale are used to carry on the exempt
26 purposes of the church or organization; **OR**
- 27 **(7) A NONPROFIT ORGANIZATION THAT IS AUTHORIZED BY THE**
28 **GOVERNING AUTHORITY OF A PUBLIC LIBRARY DISTRICT, MUNICIPAL LIBRARY,**
29 **OR COUNTY LIBRARY IN THE STATE TO PERFORM AUXILIARY SERVICES TO THAT**
30 **LIBRARY FOR THE SALE OF BOOKS.**

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