

# SENATE BILL 137

Q4

8lr1179

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By: **Senators Brinkley, Astle, Colburn, Edwards, Forehand, Haines, Glassman, Jacobs, Kelley, King, Kittleman, Kramer, Mooney, Munson, Pipkin, Simonaire, and Stoltzfus**

Introduced and read first time: January 18, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Computer Services – Preexisting Contracts**

3 FOR the purpose of providing that the sales and use tax on computer services does not  
4 apply to any computer service provided pursuant to a contract entered into prior  
5 to a certain date; and generally relating to the sales and use taxation of  
6 computer services.

7 BY repealing and reenacting, with amendments,  
8 Chapter 3 of the Acts of the General Assembly of the 2007 Special Session  
9 Section 13

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

12 **Chapter 3 of the Acts of the 2007 Special Session**

13 SECTION 13. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
14 shall take effect July 1, 2008; **PROVIDED, HOWEVER, THAT THE SALES AND USE**  
15 **TAX ON COMPUTER SERVICES AS ENACTED BY SECTION 3 OF THIS ACT DOES**  
16 **NOT APPLY TO ANY COMPUTER SERVICE THAT IS PROVIDED PURSUANT TO A**  
17 **CONTRACT ENTERED INTO PRIOR TO JULY 1, 2008.** Section 3 shall remain  
18 effective for a period of 5 years and, at the end of June 30, 2013, with no further action  
19 required by the General Assembly, Section 3 of this Act shall be abrogated and of no  
20 further force and effect.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

