

# SENATE BILL 257

Q4

8lr1284

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By: **Senators King, Astle, DeGrange, Edwards, Forehand, Garagiola, Kelley, Kramer, Madaleno, Middleton, Peters, Robey, and Stone**  
Introduced and read first time: January 24, 2008  
Assigned to: Budget and Taxation

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## 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 OR STATE GOVERNMENT OR A SUBCONTRACT**  
19 **UNDER A CONTRACT WITH THE FEDERAL OR STATE 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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 abrogated and of no further force and effect. This Act may not be interpreted to have  
2 any effect on that termination provision.