

HOUSE BILL 1222

Q4

9lr1982

By: **Delegates Murphy, Beidle, Bohanan, Jameson, Kullen, Levy, and Wood**
Introduced and read first time: February 13, 2009
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Nonprofit Charitable 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)
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2008 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 2008 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:

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

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

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



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

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

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

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

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

10 (iii) is not the United States; and

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

13 **(A-1) THE SALES AND USE TAX DOES NOT APPLY TO A SALE TO A**
14 **CHARITABLE ORGANIZATION DESCRIBED IN SUBSECTION (A)(3) OF THIS**
15 **SECTION IF THE ORGANIZATION MAKES THE PURCHASE TO DONATE THE**
16 **PROPERTY TO ANOTHER CHARITABLE ORGANIZATION DESCRIBED IN**
17 **SUBSECTION (A)(3) OF THIS SECTION.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 2009.