

SENATE BILL 748

Q4

9lr2413

By: **Senators Harris, Glassman, Greenip, Jacobs, Kittleman, and Mooney**
Introduced and read first time: February 6, 2009
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales Tax Rollback Act**

3 FOR the purpose of altering the maximum rate of the admissions and amusement tax
4 that a county or municipal corporation may set for gross receipts that are also
5 subject to the State sales and use tax; altering the rate of the sales and use tax;
6 altering the percentage of gross receipts from vending machine sales to which
7 the sales and use tax rate applies; providing for the effective date of certain
8 provisions of this Act; providing for the termination of certain provisions of this
9 Act; and generally relating to altering the rate of the sales and use tax.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 4–105(b), 11–104(a) and (b), and 11–301
13 Annotated Code of Maryland
14 (2004 Replacement Volume and 2008 Supplement)

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

17 **Article – Tax – General**

18 4–105.

19 (b) If gross receipts subject to the admissions and amusement tax are also
20 subject to the sales and use tax, a county or a municipal corporation may not set a rate
21 so that, when combined with the sales and use tax, the total tax rate will exceed [11%]
22 **10.5%** of the gross receipts.

23 11–104.

24 (a) Except as otherwise provided in this section, the sales and use tax rate is:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) for a taxable price of less than [\$1] **\$2**:
- 2 (i) 1 cent if the taxable price is 20 cents;
- 3 (ii) 2 cents if the taxable price is at least 21 cents but less than
4 **[34] 37 cents**;
- 5 (iii) 3 cents if the taxable price is at least **[34] 37 cents** but less
6 than **[51] 55 cents**;
- 7 (iv) 4 cents if the taxable price is at least **[51] 55 cents** but less
8 than **[67] 73 cents**;
- 9 (v) 5 cents if the taxable price is at least **[67] 73 cents** but less
10 than **[84] 91 cents**; **[and]**
- 11 (vi) 6 cents if the taxable price is at least **[84 cents; and] 91**
12 **CENTS BUT LESS THAN \$1.10**;
- 13 (VII) **7 CENTS IF THE TAXABLE PRICE IS AT LEAST \$1.10 BUT**
14 **LESS THAN \$1.28**;
- 15 (VIII) **8 CENTS IF THE TAXABLE PRICE IS AT LEAST \$1.28 BUT**
16 **LESS THAN \$1.46**;
- 17 (IX) **9 CENTS IF THE TAXABLE PRICE IS AT LEAST \$1.46 BUT**
18 **LESS THAN \$1.64**;
- 19 (X) **10 CENTS IF THE TAXABLE PRICE IS AT LEAST \$1.64 BUT**
20 **LESS THAN \$1.82; AND**
- 21 (XI) **11 CENTS IF THE TAXABLE PRICE IS AT LEAST \$1.82 BUT**
22 **LESS THAN \$2.00; AND**
- 23 (2) for a taxable price of [\$1] **\$2** or more:
- 24 (i) **[6] 11 cents** for each exact [dollar] **MULTIPLE OF \$2**; and
- 25 (ii) for [that] **EACH** part of [a dollar] **\$2** in excess of an exact
26 [dollar] **EXACT MULTIPLE OF \$2**:
- 27 1. 1 cent if the excess over an exact [dollar] **MULTIPLE**
28 **OF \$2** is [at least 1 cent but] less than **[17] 19 cents**;

1 2. 2 cents if the excess over an exact [dollar] **MULTIPLE**
2 **OF \$2** is at least [17] **19** cents but less than [34] **37** cents;

3 3. 3 cents if the excess over an exact [dollar] **MULTIPLE**
4 **OF \$2** is at least [34] **37** cents but less than [51] **55** cents;

5 4. 4 cents if the excess over an exact [dollar] **MULTIPLE**
6 **OF \$2** is at least [51] **55** cents but less than [67] **73** cents;

7 5. 5 cents if the excess over an exact [dollar] **MULTIPLE**
8 **OF \$2** is at least [67] **73** cents but less than [84] **91** cents; [and]

9 6. 6 cents if the excess over an exact [dollar] **MULTIPLE**
10 **OF \$2** is at least [84] **91** cents **BUT LESS THAN \$1.10**;

11 7. **7 CENTS IF THE EXCESS OVER AN EXACT**
12 **MULTIPLE OF \$2 IS AT LEAST \$1.10 BUT LESS THAN \$1.28**;

13 8. **8 CENTS IF THE EXCESS OVER AN EXACT**
14 **MULTIPLE OF \$2 IS AT LEAST \$1.28 BUT LESS THAN \$1.46**;

15 9. **9 CENTS IF THE EXCESS OVER AN EXACT**
16 **MULTIPLE OF \$2 IS AT LEAST \$1.46 BUT LESS THAN \$1.64**;

17 10. **10 CENTS IF THE EXCESS OVER AN EXACT**
18 **MULTIPLE OF \$2 IS AT LEAST \$1.64 BUT LESS THAN \$1.82**; AND

19 11. **11 CENTS IF THE EXCESS OVER AN EXACT**
20 **MULTIPLE OF \$2 IS AT LEAST \$1.82 BUT LESS THAN \$2.00**.

21 (b) If a retail sale of tangible personal property or a taxable service is made
22 through a vending or other self-service machine, the sales and use tax rate is [6%]
23 **5.5%**, applied to [94.5%] **94.8%** of the gross receipts from the vending machine sales.

24 11-301.

25 The sales and use tax is computed on:

26 (1) the taxable price of each separate sale;

27 (2) if a combined sale is made, the combined taxable price of all retail
28 sales on the same occasion by the same vendor to the same buyer; or

1 (3) if retail sales of tangible personal property or a taxable service are
 2 made through vending or other self-service machines, [94.5%] **94.8%** of the gross
 3 receipts from the retail sales.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 5 read as follows:

6 **Article - Tax - General**

7 4-105.

8 (b) If gross receipts subject to the admissions and amusement tax are also
 9 subject to the sales and use tax, a county or a municipal corporation may not set a rate
 10 so that, when combined with the sales and use tax, the total tax rate will exceed [11%]
 11 **10%** of the gross receipts.

12 11-104.

13 (a) Except as otherwise provided in this section, the sales and use tax rate is:

14 (1) for a taxable price of less than \$1:

15 (i) 1 cent if the taxable price is 20 cents; **AND**

16 (ii) [2 cents if the taxable price is at least 21 cents but less than
 17 34 cents;

18 (iii) 3 cents if the taxable price is at least 34 cents but less than
 19 51 cents;

20 (iv) 4 cents if the taxable price is at least 51 cents but less than
 21 67 cents;

22 (v) 5 cents if the taxable price is at least 67 cents but less than
 23 84 cents; and

24 (vi) 6 cents if the taxable price is at least 84 cents] **1 CENT FOR**
 25 **EACH ADDITIONAL 20 CENTS OR PART OF 20 CENTS;** and

26 (2) for a taxable price of \$1 or more:

27 (i) [6] **5** cents for each exact dollar; and

28 (ii) [for that part of a dollar in excess of an exact dollar:

29 1. 1 cent if the excess over an exact dollar is at least 1
 30 cent but less than 17 cents;

