

SENATE BILL 898

Q4

9lr2153

By: **Senator Zirkin**

Introduced and read first time: February 11, 2009

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Exemptions - Veterans' Organizations**

3 FOR the purpose of providing for an exemption from the sales and use tax for sales to
4 certain veterans' organizations; providing for the effective date of certain
5 provisions of this Act; providing for the termination of certain provisions of this
6 Act; and generally relating to a sales and use tax exemption for sales to certain
7 veterans' organizations.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - General
10 Section 11-204(a)(7) and (8)
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2008 Supplement)

13 BY adding to
14 Article - Tax - General
15 Section 11-204(a)(9)
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2008 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Tax - General
20 Section 11-204(a)(6) and (7)
21 Annotated Code of Maryland
22 (2004 Replacement Volume and 2008 Supplement)
23 (As enacted by Chapters 217 and 218 of the Acts of the General Assembly of
24 2006)

25 BY adding to
26 Article - Tax - General
27 Section 11-204(a)(8)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2004 Replacement Volume and 2008 Supplement)
3 (As enacted by Chapters 217 and 218 of the Acts of the General Assembly of
4 2006)

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

7 **Article - Tax - General**

8 11-204.

9 (a) The sales and use tax does not apply to:

10 (7) a sale to a nonprofit organization made to carry on its work, if the
11 organization:

12 (i) is qualified as tax exempt under § 501(c)(4) of the Internal
13 Revenue Code; and

14 (ii) is engaged primarily in providing a program to render its
15 best efforts to contain, clean up, and otherwise mitigate spills of oil or other
16 substances occurring in United States coastal and tidal waters; [or]

17 (8) a sale to a bona fide nationally organized and recognized
18 organization of veterans of the armed forces of the United States or an auxiliary of the
19 organization or one of its units, if the organization is qualified as tax exempt under §
20 501(c)(19) of the Internal Revenue Code; **OR**

21 **(9) A SALE TO A BONA FIDE NATIONALLY ORGANIZED AND**
22 **RECOGNIZED ORGANIZATION OF VETERANS OF THE ARMED FORCES OF THE**
23 **UNITED STATES OR AN AUXILIARY OF THE ORGANIZATION OR ONE OF ITS**
24 **UNITS, IF THE ORGANIZATION IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(4)**
25 **OF THE INTERNAL REVENUE CODE.**

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

28 **Article - Tax - General**

29 11-204.

30 (a) The sales and use tax does not apply to:

31 (6) a sale of tangible personal property to a nonprofit parent-teacher
32 association located in the State if the association makes the purchase to contribute the

1 property to a school to which a sale is exempt under item (3) of this subsection or §
2 11–220 of this subtitle; [or]

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

5 (i) is qualified as tax exempt under § 501(c)(4) of the Internal
6 Revenue Code; and

7 (ii) is engaged primarily in providing a program to render its
8 best efforts to contain, clean up, and otherwise mitigate spills of oil or other
9 substances occurring in United States coastal and tidal waters; **OR**

10 **(8) A SALE TO A BONA FIDE NATIONALLY ORGANIZED AND**
11 **RECOGNIZED ORGANIZATION OF VETERANS OF THE ARMED FORCES OF THE**
12 **UNITED STATES OR AN AUXILIARY OF THE ORGANIZATION OR ONE OF ITS**
13 **UNITS, IF THE ORGANIZATION IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(4)**
14 **OF THE INTERNAL REVENUE CODE.**

15 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
16 take effect on the taking effect of the termination provisions specified in Section 2 of
17 Chapters 217 and 218 of the Acts of the General Assembly of 2006. If that termination
18 provision takes effect, Section 1 of this Act shall be abrogated and of no further force
19 and effect. This Act may not be interpreted to have any effect on that termination
20 provision.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions
22 of Section 3 of this Act, this Act shall take effect July 1, 2009.