

SENATE BILL 898

Q4

9lr2153

By: ~~Senator Zirkin~~ **Senators Zirkin, Brinkley, Currie, DeGrange, Edwards, Jones, Kasemeyer, King, Kramer, Madaleno, McFadden, Munson, Peters, Robey, and Stoltzfus**

Introduced and read first time: February 11, 2009

Assigned to: Rules

Re-referred to: Budget and Taxation, February 18, 2009

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 2009

CHAPTER _____

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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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 BY adding to
 6 Article – Tax – General
 7 Section 11–204(a)(8)
 8 Annotated Code of Maryland
 9 (2004 Replacement Volume and 2008 Supplement)
 10 (As enacted by Chapters 217 and 218 of the Acts of the General Assembly of
 11 2006)

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 11–204.

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

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

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

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

24 (8) a sale to a bona fide nationally organized and recognized
 25 organization of veterans of the armed forces of the United States or an auxiliary of the
 26 organization or one of its units, if the organization is qualified as tax exempt under §
 27 501(c)(19) of the Internal Revenue Code; **OR**

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

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

35 **Article – Tax – General**

1 11-204.

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

3 (6) a sale of tangible personal property to a nonprofit parent-teacher
4 association located in the State if the association makes the purchase to contribute the
5 property to a school to which a sale is exempt under item (3) of this subsection or §
6 11-220 of this subtitle; [or]

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

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

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.