

SENATE BILL 675

Q4
SB 739/10 – B&T

11r0852

By: **Senators Jacobs, Brochin, Getty, Jennings, Pipkin, Reilly, Shank, and
Simonaire**

Introduced and read first time: February 4, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Rate**

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; and generally relating to altering the rate of
8 the sales and use tax.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 4–105(b), 11–104(a) and (b), and 11–301
12 Annotated Code of Maryland
13 (2010 Replacement Volume)

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

16 **Article – Tax – General**

17 4–105.

18 (b) If gross receipts subject to the admissions and amusement tax are also
19 subject to the sales and use tax, a county or a municipal corporation may not set a rate
20 so that, when combined with the sales and use tax, the total tax rate will exceed [11%]
21 **10%** of the gross receipts.

22 11–104.

23 (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 (i) 1 cent if the taxable price is 20 cents; **AND**
- 3 (ii) **[2 cents if the taxable price is at least 21 cents but less than**
4 34 cents;
- 5 (iii) 3 cents if the taxable price is at least 34 cents but less than
6 51 cents;
- 7 (iv) 4 cents if the taxable price is at least 51 cents but less than
8 67 cents;
- 9 (v) 5 cents if the taxable price is at least 67 cents but less than
10 84 cents; and
- 11 (vi) 6 cents if the taxable price is at least 84 cents] **1 CENT FOR**
12 **EACH ADDITIONAL 20 CENTS OR PART OF 20 CENTS;** and
- 13 (2) for a taxable price of \$1 or more:
- 14 (i) **[6] 5 cents for each exact dollar; and**
- 15 (ii) **[for that part of a dollar in excess of an exact dollar:**
- 16 1. 1 cent if the excess over an exact dollar is at least 1
17 cent but less than 17 cents;
- 18 2. 2 cents if the excess over an exact dollar is at least 17
19 cents but less than 34 cents;
- 20 3. 3 cents if the excess over an exact dollar is at least 34
21 cents but less than 51 cents;
- 22 4. 4 cents if the excess over an exact dollar is at least 51
23 cents but less than 67 cents;
- 24 5. 5 cents if the excess over an exact dollar is at least 67
25 cents but less than 84 cents; and
- 26 6. 6 cents if the excess over an exact dollar is at least 84
27 cents] **1 CENT FOR EACH 20 CENTS OR PART OF 20 CENTS IN EXCESS OF AN**
28 **EXACT DOLLAR.**

1 (b) If a retail sale of tangible personal property or a taxable service is made
2 through a vending or other self-service machine, the sales and use tax rate is [6%]
3 **5%**, applied to [94.5%] **95.25%** of the gross receipts from the vending machine sales.

4 11-301.

5 The sales and use tax is computed on:

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

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

9 (3) if retail sales of tangible personal property or a taxable service are
10 made through vending or other self-service machines, [94.5%] **95.25%** of the gross
11 receipts from the retail sales.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2011.