

HOUSE BILL 232

Q4

(3lr0969)

ENROLLED BILL

— *Ways and Means/Budget and Taxation* —

Introduced by **Delegates Vitale, Costa, George, Kipke, McConkey, O'Donnell, Schuh, and Wilson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

- 1 AN ACT concerning
- 2 **Sales and Use Tax – Exemption – Parent-Teacher Organization Fundraisers**
- 3 FOR the purpose of providing that the sales and use tax does not apply to a sale by
- 4 certain ~~nonprofit~~ parent-teacher organizations or other ~~nonprofit~~ organizations
- 5 within an elementary or secondary school in the State or within a school system
- 6 in the State; and generally relating to a sales and use tax exemption for certain
- 7 ~~nonprofit~~ parent-teacher organizations.
- 8 BY repealing and reenacting, with amendments,
- 9 Article – Tax – General
- 10 Section 11-204(b)
- 11 Annotated Code of Maryland
- 12 (2010 Replacement Volume and 2012 Supplement)

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.

Italics indicate opposite chamber/conference committee amendments.



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

3 **Article – Tax – General**

4 11–204.

5 (b) The sales and use tax does not apply to a sale by:

6 (1) a bona fide church or religious organization, if the sale is made for
7 the general purposes of the church or organization;

8 (2) a gift shop at a mental hospital that the Department of Health and
9 Mental Hygiene operates;

10 (3) a hospital thrift shop that:

11 (i) is operated by all volunteer staff;

12 (ii) sells only donated articles;

13 (iii) contributes the profits from sales to the hospital with which
14 the shop is associated; and

15 (iv) is not operated in conjunction with a gift shop or another
16 retail establishment;

17 (4) a vending facility operated under the Maryland Vending Program
18 for the Blind if:

19 (i) the facility is located on property held or acquired by or for
20 the use of the United States for any military or naval purpose; and

21 (ii) a post exchange or other tax–exempt concession is located
22 and operated on the same property;

23 (5) an elementary or secondary school in the State or a nonprofit
24 parent–teacher organization or other nonprofit organization within an elementary or
25 secondary school in the State for the sale of magazine subscriptions in a fund–raising
26 campaign, if the net proceeds are used solely for the educational benefit of the school
27 or its students, including a sale resulting from an agreement or contract with an
28 organization to participate in a fund–raising campaign for a percentage of the gross
29 receipts under which students act as agents or salespersons for the organization by
30 selling or taking orders for the sale;

1 **(6) A ~~NONPROFIT~~ PARENT-TEACHER ORGANIZATION OR OTHER**
2 **~~NONPROFIT~~ ORGANIZATION WITHIN AN ELEMENTARY OR SECONDARY SCHOOL**
3 **IN THE STATE OR WITHIN A SCHOOL SYSTEM IN THE STATE; or**

4 **[(6)] (7)** subject to subsection (e) of this section, a bona fide church,
5 religious organization, or other nonprofit organization exempt from taxation under §
6 501(c)(3) of the Internal Revenue Code if:

7 (i) the sale is made at an auction sale; and

8 (ii) the proceeds of the sale are used to carry on the exempt
9 purposes of the church or organization.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.