

# HOUSE BILL 232

Q4

3lr0969

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By: **Delegates Vitale, Costa, George, Kipke, McConkey, O'Donnell, Schuh, and Wilson**

Introduced and read first time: January 23, 2013

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2013

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## 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)

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

### 15 **Article – Tax – General**

16 11–204.

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

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

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

5 (3) a hospital thrift shop that:

6 (i) is operated by all volunteer staff;

7 (ii) sells only donated articles;

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

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

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

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

16 (ii) a post exchange or other tax-exempt concession is located  
17 and operated on the same property;

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

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

29 **[(6)] (7)** subject to subsection (e) of this section, a bona fide church,  
30 religious organization, or other nonprofit organization exempt from taxation under §  
31 501(c)(3) of the Internal Revenue Code if:

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

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

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.