

Chapter 237

(House Bill 530)

AN ACT concerning

Sales and Use Tax – Tax-Free Period for Back-to-School Shopping – Sale of Backpacks and Bookbags

FOR the purpose of altering a certain sales and use tax exemption to include a certain portion of the taxable price of certain backpacks and bookbags, subject to certain limitations; and generally relating to the designation of a certain annual sales tax-free period in the State.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–228
Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Tax – General

11–228.

(a) In this section, “accessory items” includes jewelry, watches, watchbands, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.

(b) (1) Beginning in calendar year 2010, the 7–day period from the second Sunday in August through the following Saturday shall be a tax-free period for back-to-school shopping in Maryland during which the exemption under paragraph (2) of this subsection shall apply.

(2) During the tax-free period for back-to-school shopping established under paragraph (1) of this subsection, the sales and use tax does not apply to ~~the sale of:~~

(I) THE SALE OF any item of clothing or footwear, excluding accessory items, if the taxable price of the item of clothing or footwear is \$100 or less; **OR**

(II) THE FIRST \$50 \$40 OF THE TAXABLE PRICE OF ANY BACKPACK OR BOOKBAG, ~~IF THE TAXABLE PRICE OF THE BACKPACK OR BOOKBAG IS \$100 OR LESS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.