

HOUSE BILL 1213

Q4

7lr3008
CF SB 855

By: **Delegates Hixson, Barkley, Fraser–Hidalgo, Healey, Kramer, Lafferty, Tarlau,
and M. Washington**

Introduced and read first time: February 10, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Main Street Fairness Act of 2017**

3 FOR the purpose of altering the definition of “engage in the business of an out-of-state
4 vendor”, for purposes of establishing nexus under the sales and use tax law, to
5 include vendors who sell or deliver, during a certain period of time, tangible personal
6 property or taxable services to customers in the State under certain circumstances;
7 and generally relating to the application of the sales and use tax to sales or deliveries
8 by out-of-state vendors to customers in the State.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 11–701(a)
12 Annotated Code of Maryland
13 (2016 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 11–701(b)
17 Annotated Code of Maryland
18 (2016 Replacement Volume)

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

21 **Article – Tax – General**

22 11–701.

23 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) “Engage in the business of an out-of-state vendor” means to sell or
2 deliver tangible personal property or a taxable service for use in the State.

3 (2) “Engage in the business of an out-of-state vendor” includes:

4 (i) permanently or temporarily maintaining, occupying, or using
5 any office, sales or sample room, or distribution, storage, warehouse, or other place for the
6 sale of tangible personal property or a taxable service directly or indirectly through an
7 agent or subsidiary;

8 (ii) having an agent, canvasser, representative, salesman, or
9 solicitor operating in the State for the purpose of delivering, selling, or taking orders for
10 tangible personal property or a taxable service; [or]

11 (iii) entering the State on a regular basis to provide service or repair
12 for tangible personal property; OR

13 (IV) SELLING OR DELIVERING TANGIBLE PERSONAL PROPERTY
14 OR TAXABLE SERVICES TO CUSTOMERS IN THE STATE IF, DURING THE PRECEDING
15 FOUR QUARTERLY PERIODS ENDING ON THE LAST DAY OF MARCH, JUNE,
16 SEPTEMBER, AND DECEMBER:

17 1. THE CUMULATIVE GROSS RECEIPTS FROM THE SALES
18 OR DELIVERIES ARE GREATER THAN \$10,000; OR

19 2. THE SALES OR DELIVERIES ARE MADE IN AT LEAST
20 200 SEPARATE TRANSACTIONS.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2017.