

SENATE BILL 235

Q4

7lr1488
CF 7lr1873

By: **Senator Guzzone**

Introduced and read first time: January 20, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Service Performed by Person Practicing**
3 **Engineering**

4 FOR the purpose of providing an exemption from the sales and use tax for certain services
5 performed by certain persons practicing engineering; defining a certain term; and
6 generally relating to the sales and use tax.

7 BY repealing and reenacting, without amendments,
8 Article – Business Occupations and Professions
9 Section 14–101(a) and (j)
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2016 Supplement)

12 BY adding to
13 Article – Tax – General
14 Section 11–219(e)
15 Annotated Code of Maryland
16 (2016 Replacement Volume)

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

19 **Article – Business Occupations and Professions**

20 14–101.

21 (a) In this title the following words have the meanings indicated.

22 (j) (1) “Practice engineering” means to provide any service or creative work
23 the performance of which requires education, training, and experience in the application
24 of:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) special knowledge of the mathematical, physical, and
2 engineering sciences; and

3 (ii) the principles and methods of engineering analysis and design.

4 (2) In regard to a building or other structure, machine, equipment, process,
5 works, system, project, or public or private utility, “practice engineering” includes:

6 (i) consultation;

7 (ii) design;

8 (iii) evaluation;

9 (iv) inspection of construction to ensure compliance with
10 specifications and drawings;

11 (v) investigation;

12 (vi) planning; and

13 (vii) design coordination.

14 (3) “Practice engineering” does not include the exclusive and sole
15 performance of nontechnical management activities.

16 Article – Tax – General

17 11–219.

18 **(E) (1) IN THIS SUBSECTION, “PRACTICE ENGINEERING” HAS THE**
19 **MEANING STATED IN § 14–101 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**
20 **ARTICLE.**

21 **(2) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF A**
22 **SERVICE PERFORMED BY A PERSON PRACTICING ENGINEERING.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2017.