

Chapter 644

(Senate Bill 843)

AN ACT concerning

Sales and Use Tax – Licensed ~~Statewide~~ Caterers – Exemption

FOR the purpose of providing an exemption from the sales and use tax for the sale of certain materials, equipment, and supplies to a certain licensed ~~statewide~~ caterer if, under certain circumstances, the materials, equipment, and supplies will be used by the caterer to perform a catering contract; ~~requiring the holder of the statewide caterer's license to apply to the Comptroller for an exemption certificate in order to qualify for the exemption under this Act;~~ defining a certain term; and generally relating to a sales and use tax exemption for the sale of catering materials, equipment, and supplies.

BY adding to

Article – Tax – General
Section 11–236
Annotated Code of Maryland
(2016 Replacement Volume and 2019 Supplement)

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

Article – Tax – General

11–236.

(A) IN THIS SECTION:

(1) “LICENSED CATERER” MEANS THE HOLDER OF A FOOD SERVICE FACILITY LICENSE ISSUED BY A COUNTY THAT OFFERS CATERING SERVICES IN CONNECTION WITH A SPECIFIC EVENT; AND

(2) “LICENSED CATERER” DOES NOT INCLUDE A FOOD SERVICE FACILITY THAT IS PRIMARILY ENGAGED IN THE PREPARATION AND SERVICE OF FOOD TO THE GENERAL PUBLIC AT THE FACILITY.

~~(A)~~ (B) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF MATERIALS, EQUIPMENT, OR SUPPLIES TO A LICENSED ~~STATEWIDE~~ CATERER IF THE MATERIALS, EQUIPMENT, OR SUPPLIES ARE:

(1) TO BE USED BY THE CATERER TO PERFORM A CONTRACT FOR ~~OFF-SITE~~ CATERING SERVICES; AND

(2) (I) INTENDED FOR RESALE BY THE CATERER ~~IN A TAXABLE SALE; OR AND~~

(II) TO BE USED DIRECTLY OR PREDOMINANTLY BY THE CATERER IN ~~THE SALE~~ PERFORMING A CATERING CONTRACT THAT INCLUDES THE PROVISION OF FOOD AND BEVERAGES.

~~(B) TO QUALIFY AS A LICENSED STATEWIDE CATERER TO WHOM A SALE IS EXEMPT UNDER THIS SECTION, THE HOLDER OF THE STATEWIDE CATERER'S LICENSE SHALL APPLY TO THE COMPTROLLER FOR AN EXEMPTION CERTIFICATE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.