

SENATE BILL 185

Q4

0lr1353
CF HB 27

By: **Senator Jennings**

Introduced and read first time: January 15, 2020

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore County – Sales and Use Tax Exemption – Qualified Opportunity**
3 **Zones**

4 FOR the purpose of providing an exemption from the sales and use tax for certain
5 construction material or warehousing equipment used on certain property in certain
6 areas in Baltimore County under certain circumstances; requiring a buyer claiming
7 the exemption to provide certain evidence to a vendor; defining certain terms;
8 providing for the termination of this Act; and generally relating to the sales and use
9 tax.

10 BY adding to

11 Article – Tax – General

12 Section 11–236

13 Annotated Code of Maryland

14 (2016 Replacement Volume and 2019 Supplement)

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

17 **Article – Tax – General**

18 **11–236.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

21 **(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE**
22 **PERSONAL PROPERTY THAT IS USED TO CONSTRUCT OR RENOVATE A BUILDING, A**
23 **STRUCTURE, OR AN IMPROVEMENT ON LAND AND THAT TYPICALLY LOSES ITS**
24 **SEPARATE IDENTITY AS PERSONAL PROPERTY ONCE INCORPORATED INTO THE**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 REAL PROPERTY.

2 (II) "CONSTRUCTION MATERIAL" INCLUDES BUILDING
3 MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND
4 SUPPLIES.

5 (3) "QUALIFIED OPPORTUNITY ZONE" MEANS ANY REAL PROPERTY
6 OWNED OR LEASED BY A PERSON IN BALTIMORE COUNTY THAT:

7 (I) AS OF JANUARY 1, 2020, WAS DESIGNATED AS:

8 1. AN ENTERPRISE ZONE UNDER TITLE 5, SUBTITLE 7 OF
9 THE ECONOMIC DEVELOPMENT ARTICLE; AND

10 2. AN OPPORTUNITY ZONE UNDER § 1400Z-1 OF THE
11 INTERNAL REVENUE CODE; AND

12 (II) WAS PREVIOUSLY OWNED AT ANY TIME BY THE UNITED
13 STATES OR ITS SUBSIDIARIES, SUCCESSORS, OR ASSIGNS.

14 (4) "WAREHOUSING EQUIPMENT" MEANS EQUIPMENT USED FOR
15 MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING
16 SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.

17 (B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION
18 MATERIAL OR WAREHOUSING EQUIPMENT IF:

19 (1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON
20 SOLELY FOR USE IN A QUALIFIED OPPORTUNITY ZONE; AND

21 (2) THE BUYER PROVIDES THE VENDOR WITH EVIDENCE OF
22 ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2020. It shall remain effective for a period of 10 years and, at the end of June 30, 2030,
25 this Act, with no further action required by the General Assembly, shall be abrogated and
26 of no further force and effect.