

Chapter 639

(Senate Bill 185)

AN ACT concerning

~~Baltimore County~~ **Sales and Use Tax Exemption – Qualified Opportunity Zones in Baltimore County and Target Redevelopment Areas in Washington County**

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

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

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

**(II) “CONSTRUCTION MATERIAL” INCLUDES BUILDING MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND SUPPLIES.**

**(3) “QUALIFIED OPPORTUNITY ZONE” MEANS ANY REAL PROPERTY OWNED OR LEASED BY A PERSON IN BALTIMORE COUNTY THAT:**

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

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

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

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

**(4) “TARGET REDEVELOPMENT AREA” MEANS ANY REAL PROPERTY OWNED OR LEASED BY A PERSON IN WASHINGTON COUNTY THAT:**

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

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

**2. WAS PREVIOUSLY OWNED AT ANY TIME BY CSX RAILROAD OR ITS SUBSIDIARIES, SUCCESSORS, OR ASSIGNS; OR**

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

**(5) “WAREHOUSING EQUIPMENT” MEANS EQUIPMENT USED FOR MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.**

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

**(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON SOLELY FOR USE IN A QUALIFIED OPPORTUNITY ZONE OR TARGET REDEVELOPMENT AREA; AND**

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

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

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