

Chapter 281

(House Bill 582)

AN ACT concerning

**Cecil County – Sales and Use Tax Exemption – Federal Facilities
Redevelopment Areas**

FOR the purpose of providing an exemption from the sales and use tax for certain construction material or warehousing equipment purchased for use in a certain federal facilities redevelopment area in Cecil 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 11–241

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

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

Article – Tax – General

11–241.

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

(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE PERSONAL PROPERTY THAT:

1. IS USED TO CONSTRUCT OR RENOVATE:

A. A BUILDING;

B. A STRUCTURE;

C. AN IMPROVEMENT ON LAND; OR

D. INFRASTRUCTURE, INCLUDING WATER, SEWER, AND OTHER UTILITY SYSTEMS; AND

2. 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) "FEDERAL FACILITIES REDEVELOPMENT AREA" MEANS ANY REAL PROPERTY IN CECIL COUNTY THAT:

(I) WAS PREVIOUSLY OWNED AT ANY TIME BY THE FEDERAL GOVERNMENT; ~~AND~~

(II) ~~WAS, AS OF JUNE 1, 2019, THE SUBJECT OF AN APPROVED APPLICATION FOR PARTICIPATION IN~~ WAS TRANSFERRED FROM THE FEDERAL GOVERNMENT TO THE STATE OR TO AN ENTITY ESTABLISHED UNDER TITLE 11, SUBTITLE 4 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

(III) IS ENTIRELY UNDER THE ENVIRONMENTAL OVERSIGHT AND MANAGEMENT OF:

1. THE STATE HAZARDOUS SUBSTANCE RESPONSE PLAN UNDER TITLE 7, SUBTITLE 2 OF THE ENVIRONMENT ARTICLE; OR

2. THE VOLUNTARY CLEANUP PROGRAM UNDER TITLE 7, SUBTITLE 5 OF THE ENVIRONMENT ARTICLE.

(4) "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 FEDERAL FACILITIES 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, 2021. It shall remain effective for a period of 10 years and, at the end of June 30, 2031, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 18, 2021.