A BILL ENTITLED

AN ACT concerning
Sales and Use Tax – Electricity for Agricultural Purposes – Exemption

FOR the purpose of providing an exemption from the sales and use tax for the sale of electricity used for agricultural purposes under certain circumstances; and generally relating to a sales and use tax exemption for agricultural purposes.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–201(a)
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

11–201.

(a) The sales and use tax does not apply to a sale of the following items for an agricultural purpose:

(1) livestock;
(2) feed or bedding for livestock;
(3) seed, fertilizer, fungicide, herbicide, or insecticide;
(4) baler twine or wire;
(5) fuel for use in farm equipment or a farm tractor, as defined in §§
(6) if bought by a farmer:

(i) a container to transport farm products that the farmer raises to market;

(ii) a farm vehicle, as defined in § 13–911(c) of the Transportation Article, when used in farming;

(iii) a milking machine, when used in farming;

(iv) fabrication, processing, or service, by a sawmill, of wood products for farm use in which the farmer retains title; [and]

(v) farm equipment when used to:

1. raise livestock;

2. prepare, irrigate, or tend the soil; or

3. plant, service, harvest, store, clean, dry, or transport seeds or crops; AND

(VI) ELECTRICITY WHEN USED TO:

1. RAISE LIVESTOCK OR POULTRY;

2. PREPARE, IRRIGATE, OR TEND THE SOIL; OR

3. PLANT, SERVICE, HARVEST, STORE, CLEAN, DRY, OR TRANSPORT SEEDS OR CROPS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.