

HOUSE BILL 678

Q4
HB 1002/22 – W&M

3lr1816

By: **Delegates Sample–Hughes, Adams, Arentz, Fair, Ghrist, Jacobs, and Otto**
Introduced and read first time: February 6, 2023
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Electricity for Agricultural Purposes**

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

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 11–201(a)
9 Annotated Code of Maryland
10 (2022 Replacement Volume)

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

13 **Article – Tax – General**

14 11–201.

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

17 (1) livestock;

18 (2) feed or bedding for livestock;

19 (3) seed, fertilizer, fungicide, herbicide, or insecticide;

20 (4) baler twine or wire;

21 (5) fuel for use in farm equipment or a farm tractor, as defined in §§

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11–120 and 11–121 of the Transportation Article; and

2 (6) if bought by a farmer:

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

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

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

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

10 (v) farm equipment when used to:

11 1. raise livestock;

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

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

15 (VI) ELECTRICITY WHEN USED TO:

16 1. RAISE LIVESTOCK OR POULTRY;

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

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2023.