HOUSE BILL 678

3lr1816 $\mathbf{Q}4$ HB 1002/22 - W&M By: Delegates Sample-Hughes, Adams, Arentz, Fair, Ghrist, Jacobs, and Otto Introduced and read first time: February 6, 2023 Assigned to: Ways and Means Committee Report: Favorable with amendments House action: Adopted Read second time: April 2, 2023 CHAPTER AN ACT concerning Sales and Use Tax – Electricity for Agricultural Purposes – Study and Report FOR the purpose of providing an exemption requiring the Comptroller, in consultation with certain entities, to study and report to the General Assembly, on or before a certain date, on exempting from the sales and use tax for the sale of electricity used for agricultural purposes under certain circumstances; and generally relating to a the 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 (2022 Replacement Volume) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND. That the Laws of Maryland read as follows: On or before December 15, 2023, the Office of the Comptroller, in consultation (a) with the Public Service Commission and PJM Interconnection, LLC, shall study and report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on exempting electricity from the sales and use tax if that electricity is purchased by a farmer to: (1) raise livestock or poultry;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

1	(2) prepare, irrigate, or tend the soil; or			
2	(3) plant, service, harvest, store, clean, dry, or transport seeds or crops.			
3 4	(b) The report required under subsection (a) of this section shall include an estimate of the fiscal impact of an exemption described under subsection (a) of this section.			
5 6 7 8	(c) On request of the Office of the Comptroller, an electric company, as defined under § 1–101 Public Utilities Article, shall provide aggregate usage and billing information that the Office of the Comptroller determines to be necessary to prepare the report required under subsection (a) of this section.			
9	Article - Tax - General			
10	11-201.			
11 12				
13	(1) livestock;			
14	(2) feed or bedding for livestock;			
15	(3) seed, fertilizer, fungicide, herbicide, or insecticide;			
16	(4) baler twine or wire;			
17 18	1 1			
19	(6) if bought by a farmer:			
20 21	(i) a container to transport farm products that the farmer raises to market;			
22 23	(ii) a farm vehicle, as defined in § 13–911(c) of the Transportation Article, when used in farming;			
24	(iii) a milking machine, when used in farming;			
25 26	(iv) fabrication, processing, or service, by a sawmill, of wood products for farm use in which the farmer retains title; [and]			
27	(v) farm equipment when used to:			
28	1. raise livestock;			

1		<u>2</u>	prepare, irrigate, or tend the soil; or
2 3	or crops; AND	2.	plant, service, harvest, store, clean, dry, or transport seed
4	(VI)	ELE(CTRICITY WHEN USED TO:
5		1,	RAISE LIVESTOCK OR POULTRY;
6		<u>9</u>	PREPARE, IRRIGATE, OR TEND THE SOIL; OR
7 8	TRANSPORT SEEDS OR	3. CROP	PLANT, SERVICE, HARVEST, STORE, CLEAN, DRY, OI S.
9 10	SECTION 2. AND 1, 2023.	ВЕ ІТ	FURTHER ENACTED, That this Act shall take effect July
	Approved:		
			Governor.
	-		Speaker of the House of Delegates.

President of the Senate.