

# HOUSE BILL 1094

Q4

3lr1463

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By: **Delegates Munoz, Adams, Arentz, Baker, Buckel, Chisholm, Ghrist, Griffith, Hornberger, Kipke, Mangione, McComas, Metzgar, Miller, T. Morgan, Nawrocki, Pippy, Schmidt, Stonko, and Valentine**  
Introduced and read first time: February 10, 2023  
Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Rate Reduction**

3 FOR the purpose of altering the maximum rate of the admissions and amusement tax that  
4 a county or municipal corporation may set for gross receipts that are also subject to  
5 the State sales and use tax; altering the rate of the sales and use tax; altering the  
6 percentages of gross receipts from vending or other self-service machine sales to  
7 which the sales and use tax rate is applied; altering the sales and use tax applied to  
8 certain charges made in connection with sales of alcoholic beverages and sales of  
9 dyed diesel fuel; altering the rate of sales tax applied to certain gratuities and service  
10 charges; and generally relating to the sales and use tax rate.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 4–105(b), 11–104(a), (b), (g), (h)(2), and (i), and 11–301  
14 Annotated Code of Maryland  
15 (2022 Replacement Volume)

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

18 **Article – Tax – General**

19 4–105.

20 (b) If gross receipts subject to the admissions and amusement tax are also subject  
21 to the sales and use tax, a county or a municipal corporation may not set a rate so that,  
22 when combined with the sales and use tax, the total tax rate will exceed [11%] **10%** of the  
23 gross receipts.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11-104.

2 (a) Except as otherwise provided in this section, the sales and use tax rate is:

3 (1) for a taxable price of less than \$1:

4 (i) 1 cent if the taxable price is 20 cents; AND

5 [(ii) 2 cents if the taxable price is at least 21 cents but less than 34  
6 cents;

7 (iii) 3 cents if the taxable price is at least 34 cents but less than 51  
8 cents;

9 (iv) 4 cents if the taxable price is at least 51 cents but less than 67  
10 cents;

11 (v) 5 cents if the taxable price is at least 67 cents but less than 84  
12 cents; and

13 (vi) 6 cents if the taxable price is at least 84 cents; and]

14 (II) **1 CENT FOR EACH ADDITIONAL 20 CENTS OR PART OF 20**  
15 **CENTS; AND**

16 (2) for a taxable price of \$1 or more:

17 (i) **[6] 5 cents** for each exact dollar; and

18 [(ii) for that part of a dollar in excess of an exact dollar:

19 1. 1 cent if the excess over an exact dollar is at least 1 cent  
20 but less than 17 cents;

21 2. 2 cents if the excess over an exact dollar is at least 17 cents  
22 but less than 34 cents;

23 3. 3 cents if the excess over an exact dollar is at least 34 cents  
24 but less than 51 cents;

25 4. 4 cents if the excess over an exact dollar is at least 51 cents  
26 but less than 67 cents;

27 5. 5 cents if the excess over an exact dollar is at least 67 cents  
28 but less than 84 cents; and



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