

Chapter 805

(Senate Bill 691)

AN ACT concerning

Home Amenity Rentals – Sales and Use Tax Imposed and Local Tax Authorized

FOR the purpose of applying the sales and use tax to a sale or use of certain home amenity rentals; authorizing a county or municipality to impose a certain home amenity rental tax under certain circumstances and subject to certain limitations; and generally relating to the taxation of home amenity rentals.

BY renumbering

Article – Tax – General

Section 11–101(c–6) through (c–8)

to be Section 11–101(c–10) through (c–12), respectively

Annotated Code of Maryland

(2022 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 11–101(a) and (l)(1)

Annotated Code of Maryland

(2022 Replacement Volume)

BY adding to

Article – Tax – General

Section 11–101(c–6) through (c–9)

Annotated Code of Maryland

(2022 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11–101(k)(1), (l)(5) and (6), and (o)(1)

Annotated Code of Maryland

(2022 Replacement Volume)

BY adding to

Article – Local Government

Section 20–901 through 20–911 to be under the new subtitle “Subtitle 9. Local Home Amenity Rental Tax”

Annotated Code of Maryland

(2013 Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 11–101(c–6) through (c–8) of Article – Tax – General of the Annotated Code of Maryland be renumbered to be Section(s) 11–101(c–10) through (c–12), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

11–101.

(a) In this title the following words have the meanings indicated.

(C–6) “HOME AMENITY” MEANS ANY PORTION, WHETHER INDOORS OR OUTDOORS, OF A RESIDENTIAL PROPERTY, EXCLUDING BEDROOMS OR ANY PORTION OF THE PROPERTY INTENDED FOR SLEEPING QUARTERS, THAT IS OCCUPIED BY THE HOUR AND FOR NOT MORE THAN 15 HOURS CONSECUTIVELY.

(C–7) “HOME AMENITY RENTAL” MEANS THE TEMPORARY USE IN EXCHANGE FOR CONSIDERATION OF A HOME AMENITY.

(C–8) (1) “HOME AMENITY RENTAL INTERMEDIARY” MEANS A PERSON, OTHER THAN A HOME AMENITY RENTAL PROVIDER, WHO FACILITATES THE SALE OR USE OF A HOME AMENITY AND CHARGES A BUYER THE TAXABLE PRICE FOR THE HOME AMENITY RENTAL.

(2) FOR PURPOSES OF THIS SUBSECTION, A PERSON SHALL BE CONSIDERED TO FACILITATE THE SALE OR USE OF A HOME AMENITY IF THE PERSON BROKERS, COORDINATES, OR IN ANY OTHER WAY ARRANGES FOR THE SALE OR USE OF A HOME AMENITY BY A BUYER.

(C–9) “HOME AMENITY RENTAL PLATFORM” MEANS AN INTERNET–BASED DIGITAL ENTITY THAT:

(1) ADVERTISES THE AVAILABILITY OF HOME AMENITIES; AND

(2) RECEIVES COMPENSATION FOR FACILITATING RESERVATIONS OR PROCESSING BOOKING TRANSACTIONS ON BEHALF OF THE OWNER, OPERATOR, OR MANAGER OF A HOME AMENITY.

(k) (1) “Tangible personal property” means:

(i) corporeal personal property of any nature;

- (ii) an accommodation; [or]
- (iii) a short-term rental; **OR**
- (IV) A HOME AMENITY RENTAL.**

(l) (1) “Taxable price” means the value, in money, of the consideration of any kind that is paid, delivered, payable, or deliverable by a buyer to a vendor in the consummation and complete performance of a sale without deduction for any expense or cost, including the cost of:

- (i) any labor or service rendered;
- (ii) any material used; or
- (iii) any property, digital code, or digital product sold.

(5) “Taxable price” includes[,]:

(I) for the sale or use of an accommodation facilitated by an accommodations intermediary or a short-term rental platform, the full amount of the consideration paid by a buyer for the sale or use of an accommodation, but not including any tax that is remitted to a taxing authority; **AND**

(II) FOR THE SALE OR USE OF A HOME AMENITY RENTAL FACILITATED BY A HOME AMENITY RENTAL INTERMEDIARY OR HOME AMENITY RENTAL PLATFORM, THE FULL AMOUNT OF CONSIDERATION PAID BY A BUYER FOR THE SALE OR USE OF A HOME AMENITY RENTAL, BUT NOT INCLUDING ANY TAX THAT IS REMITTED TO A TAXING AUTHORITY.

(6) “Taxable price” does not include[,]:

(I) for the sale or use of an accommodation facilitated by an accommodations intermediary or a short-term rental platform, a commission paid by an accommodations provider to a person after facilitating the sale or use of an accommodation; **OR**

(II) FOR THE SALE OR USE OF A HOME AMENITY RENTAL FACILITATED BY A HOME AMENITY RENTAL INTERMEDIARY OR HOME AMENITY RENTAL PLATFORM, A COMMISSION PAID BY A HOME AMENITY RENTAL PROVIDER TO A PERSON AFTER FACILITATING THE SALE OR USE OF A HOME AMENITY RENTAL.

(o) (1) “Vendor” means a person who:

- (i) engages in the business of an out-of-state vendor, as defined in § 11-701 of this title;
- (ii) engages in the business of a retail vendor, as defined in § 11-701 of this title;
- (iii) holds a special license issued under § 11-707 of this title;
- (iv) is an accommodations intermediary **OR A HOME AMENITY RENTAL INTERMEDIARY;**
- (v) is a short-term rental platform **OR HOME AMENITY RENTAL PLATFORM;**
- (vi) engages in the business of a marketplace facilitator; or
- (vii) engages in the business of a marketplace seller.

Article – Local Government

SUBTITLE 9. LOCAL HOME AMENITY RENTAL TAX.

PART I. COUNTY HOME AMENITY RENTAL TAX.

20-901.

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

(B) “HOME AMENITY” MEANS ANY PORTION, WHETHER INDOORS OR OUTDOORS, OF A RESIDENTIAL PROPERTY, EXCLUDING BEDROOMS OR ANY PORTION OF THE PROPERTY INTENDED FOR SLEEPING QUARTERS, THAT IS OCCUPIED BY THE HOUR AND FOR NOT MORE THAN 15 HOURS CONSECUTIVELY.

(C) “HOME AMENITY RENTAL” MEANS THE TEMPORARY USE IN EXCHANGE FOR CONSIDERATION OF A HOME AMENITY.

(D) “HOME AMENITY RENTAL CHARGE” MEANS A CHARGE FOR A HOME AMENITY RENTAL, EXCLUDING ANY CHARGE FOR SERVICES.

(E) “HOME AMENITY RENTAL TAX” MEANS THE TAX ON A HOME AMENITY RENTAL CHARGE.

(F) “WESTERN MARYLAND CODE COUNTY” MEANS A CODE COUNTY IN THE WESTERN MARYLAND CLASS AS ESTABLISHED UNDER § 9–302 OF THIS ARTICLE.

20–902.

THIS PART APPLIES ONLY TO:

- (1) A CHARTER COUNTY;**
- (2) A CODE COUNTY;**
- (3) CALVERT COUNTY;**
- (4) CARROLL COUNTY;**
- (5) CECIL COUNTY;**
- (6) GARRETT COUNTY;**
- (7) ST. MARY’S COUNTY;**
- (8) SOMERSET COUNTY; AND**
- (9) WASHINGTON COUNTY.**

20–903.

(A) A COUNTY MAY IMPOSE, BY RESOLUTION, A HOME AMENITY RENTAL TAX.

(B) (1) THIS SUBSECTION APPLIES ONLY TO CALVERT COUNTY, CHARLES COUNTY, AND ST. MARY’S COUNTY.

(2) THE GOVERNING BODY OF A COUNTY SHALL HOLD A PUBLIC HEARING BEFORE IMPOSING A HOME AMENITY RENTAL TAX.

(3) THE HEARING:

(I) SHALL BE ADVERTISED TWICE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY AT LEAST 10 DAYS BEFORE THE HEARING; AND

(II) MAY NOT BE PART OF THE ANNUAL BUDGET HEARING.

20-904.

(A) SUBJECT TO THIS SECTION, THE HOME AMENITY RENTAL TAX RATE IS THE RATE THAT THE COUNTY SETS BY RESOLUTION.

(B) THE HOME AMENITY RENTAL TAX RATE MAY NOT EXCEED:

(1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, 1.5% IN A CODE COUNTY;

(2) 1.5% IN CECIL COUNTY;

(3) 2% IN TALBOT COUNTY;

(4) 2.5% IN CALVERT COUNTY, CARROLL COUNTY, CHARLES COUNTY, DORCHESTER COUNTY, FREDERICK COUNTY, ST. MARY'S COUNTY, AND SOMERSET COUNTY;

(5) 3% IN WICOMICO COUNTY; AND

(6) 4% IN GARRETT COUNTY.

(C) WITH THE UNANIMOUS CONSENT OF THE COUNTY COMMISSIONERS:

(1) A CODE COUNTY OTHER THAN A WESTERN MARYLAND CODE COUNTY MAY SET A HOME AMENITY RENTAL TAX RATE UP TO 2.5%; AND

(2) A WESTERN MARYLAND CODE COUNTY MAY SET A HOME AMENITY RENTAL TAX RATE UP TO 4%.

(D) THE HOME AMENITY RENTAL TAX RATE IN WASHINGTON COUNTY IS 3%.

20-905.

TO PROVIDE FOR THE ORDERLY, SYSTEMATIC, AND THOROUGH ADMINISTRATION OF THE HOME AMENITY RENTAL TAX, A COUNTY MAY ADOPT REGULATIONS THAT:

(1) ARE CONSISTENT WITH THIS PART; AND

(2) CONFORM TO THE APPLICABLE PROVISIONS AND REGULATIONS FOR THE SALES AND USE TAX UNDER TITLE 11 OF THE TAX – GENERAL ARTICLE.

20-906. RESERVED

20-907. RESERVED.

PART II. MUNICIPAL HOME AMENITY RENTAL TAX.

20-908.

THE DEFINITIONS IN § 20-901 OF THIS SUBTITLE APPLY IN THIS PART.

20-909.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A MUNICIPALITY MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A HOME AMENITY RENTAL TAX.

(B) A MUNICIPALITY MAY NOT IMPOSE A HOME AMENITY RENTAL TAX IF THE MUNICIPALITY IS LOCATED IN A COUNTY THAT DOES NOT IMPOSE A HOME AMENITY RENTAL TAX UNDER THIS SUBTITLE.

20-910.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A MUNICIPALITY SHALL SET THE RATE OF THE HOME AMENITY RENTAL TAX.

(B) THE HOME AMENITY RENTAL TAX FOR A MUNICIPALITY MAY NOT EXCEED 1%.

20-911.

A MUNICIPALITY THAT IMPOSES A HOME AMENITY RENTAL TAX MAY PROVIDE FOR THE ADMINISTRATION AND COLLECTION OF THE TAX.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, ~~2023~~ 2024.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2023.