

# HOUSE BILL 1508

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CF 5lr3579

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By: **Delegate Wells (By Request – Baltimore City Administration)**

Introduced and read first time: February 14, 2025

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Sales Tax – Authorization**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore City to impose,  
4 by law, a tax on retail sales in the City of Baltimore, subject to certain limitations;  
5 and generally relating to authority for Baltimore City to impose a tax on retail sales  
6 in the City of Baltimore.

7 BY adding to

8 Article – Tax – General

9 Section 2–1302.5 and 11–104(l)

10 Annotated Code of Maryland

11 (2022 Replacement Volume and 2024 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – General

14 Section 2–1303 and 11–102(c)

15 Annotated Code of Maryland

16 (2022 Replacement Volume and 2024 Supplement)

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

19 **Article – Tax – General**

20 **2–1302.5.**

21 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2–1301 THROUGH**  
22 **2–1302.4 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE SALES**  
23 **TAX COLLECTED UNDER § 11–102(C)(3) OF THIS ARTICLE TO THE CITY OF**  
24 **BALTIMORE.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2–1303.

2 After making the distributions required under §§ 2–1301 through [2–1302.4]  
3 **2–1302.5** of this subtitle, the Comptroller shall pay:

4 (1) revenues from the hotel surcharge into the Dorchester County  
5 Economic Development Fund established under § 10–130 of the Economic Development  
6 Article;

7 (2) to the Blueprint for Maryland’s Future Fund established under § 5–206  
8 of the Education Article, the following percentage of the remaining sales and use tax  
9 revenues:

10 (i) for fiscal year 2023, 9.2%;

11 (ii) for fiscal year 2024, 11.0%;

12 (iii) for fiscal year 2025, 11.3%;

13 (iv) for fiscal year 2026, 11.7%; and

14 (v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and

15 (3) the remaining sales and use tax revenue into the General Fund of the  
16 State.

17 11–102.

18 (c) (1) A county, municipal corporation, special taxing district, or other  
19 political subdivision of the State may not impose any retail sales or use tax except:

20 (i) a sales tax or use tax that was in effect on January 1, 1971;

21 (ii) a tax on the sale or use of:

22 1. fuels;

23 2. utilities;

24 3. space rentals; or

25 4. any controlled dangerous substance, as defined in § 5–101  
26 of the Criminal Law Article, unless the sale is made by a person who registers under and  
27 complies with Title 5, Subtitle 3 of the Criminal Law Article; [or]

1 (iii) a tax imposed by a code county on the sale or use of food and  
2 beverages authorized under § 20–602 of the Local Government Article; OR

3 (IV) A TAX IMPOSED IN ACCORDANCE WITH PARAGRAPH (3) OF  
4 THIS SUBSECTION.

5 (2) Paragraph (1) of this subsection may not be construed as conferring  
6 authority to impose a sales and use tax.

7 (3) (I) SUBJECT TO THE LIMITATIONS OF THIS PARAGRAPH, THE  
8 MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY IMPOSE, BY LAW, A SALES TAX  
9 ON RETAIL SALES OF TANGIBLE PERSONAL PROPERTY AND TAXABLE SERVICES IN  
10 THE CITY OF BALTIMORE.

11 (II) THE SALES TAX IMPOSED IN ACCORDANCE WITH  
12 SUBPARAGRAPH (I) OF THIS PARAGRAPH:

13 1. IS SUBJECT TO THE SCOPE AND LIMITATIONS OF THIS  
14 TITLE; AND

15 2. SHALL BE COLLECTED AND ADMINISTERED IN THE  
16 SAME MANNER AS THE STATE SALES AND USE TAX IMPOSED UNDER THIS TITLE.

17 (III) THE RATE OF THE SALES TAX IMPOSED IN ACCORDANCE  
18 WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT EXCEED 2% OF THE  
19 TAXABLE PRICE OF THE TANGIBLE PERSONAL PROPERTY OR TAXABLE SERVICE.

20 (IV) BALTIMORE CITY SHALL GIVE THE COMPTROLLER NOTICE  
21 OF THE IMPOSITION OF A SALES TAX UNDER THIS PARAGRAPH AND NOTICE OF ANY  
22 ALTERATION OF THE RATE OF THE SALES TAX AT LEAST 6 MONTHS BEFORE ITS  
23 EFFECTIVE DATE.

24 11–104.

25 (L) (1) THE SALES TAX RATE FOR A RETAIL SALE OF TANGIBLE PERSONAL  
26 PROPERTY OR A TAXABLE SERVICE IN THE CITY OF BALTIMORE IS, SUBJECT TO THE  
27 LIMITATIONS OF § 11–102(C) OF THIS SUBTITLE, THE RATE SPECIFIED IN LAW BY  
28 THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY.

29 (2) THE SALES TAX RATE DESCRIBED UNDER PARAGRAPH (1) OF THIS  
30 SUBSECTION IS IN ADDITION TO THE RATES OTHERWISE SPECIFIED UNDER THIS  
31 SECTION.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2 1, 2025.