

SENATE BILL 698

Q4

5lr1765

By: **Senator Corderman**

Introduced and read first time: January 26, 2025

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 21, 2025

CHAPTER _____

1 AN ACT concerning

2 **Washington County – Sales and Use Tax Exemption – Target Redevelopment**
3 **Area**

4 FOR the purpose of providing an exemption from the sales and use tax for certain
5 construction material or warehousing equipment used on certain property in
6 Washington County; and generally relating to sales and use tax exemptions.

7 BY adding to

8 Article – Tax – General

9 Section 11–246

10 Annotated Code of Maryland

11 (2022 Replacement Volume and 2024 Supplement)

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

14 **Article – Tax – General**

15 **11–246.**

16 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
17 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 **(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE**
2 **PERSONAL PROPERTY THAT IS USED TO CONSTRUCT OR RENOVATE A BUILDING, A**
3 **STRUCTURE, OR AN IMPROVEMENT ON LAND AND THAT TYPICALLY LOSES ITS**
4 **SEPARATE IDENTITY AS PERSONAL PROPERTY ONCE INCORPORATED INTO THE**
5 **REAL PROPERTY.**

6 **(II) “CONSTRUCTION MATERIAL” INCLUDES BUILDING**
7 **MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND**
8 **SUPPLIES.**

9 **(3) “TARGET REDEVELOPMENT AREA” MEANS REAL PROPERTY IN**
10 **WASHINGTON COUNTY THAT:**

11 **(I) IS COMMONLY KNOWN AS THE MOUNT AETNA TECHNOLOGY**
12 **PARK AND ACCESSIBLE FROM ROBINWOOD DRIVE, MOUNT AETNA ROAD, AND**
13 **YALE DRIVE; AND**

14 **(II) IS LOCATED IN AN OFFICE, RESEARCH, AND INDUSTRY**
15 **ZONING DISTRICT.**

16 **(4) “WAREHOUSING EQUIPMENT” MEANS EQUIPMENT USED FOR**
17 **MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING**
18 **SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.**

19 **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION**
20 **MATERIAL OR WAREHOUSING EQUIPMENT IF:**

21 **(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON**
22 **SOLELY FOR USE IN A TARGET REDEVELOPMENT AREA; AND**

23 **(2) THE BUYER PROVIDES THE VENDOR WITH EVIDENCE OF**
24 **ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2025. It shall remain effective for a period of 10 years and, at the end of June 30, 2035,
27 this Act, with no further action required by the General Assembly, shall be abrogated and
28 of no further force and effect.