

## Chapter 186

**(House Bill 358)**

AN ACT concerning

**Sales and Use Tax – Elementary or Secondary School Book Fairs – Exemption**

FOR the purpose of providing that the sales and use tax does not apply to a sale made at a book fair by an elementary or secondary school in the State or a nonprofit parent–teacher organization or other nonprofit organization within an elementary or secondary school at an elementary or secondary school in the State, subject to certain limitations; and generally relating to a sales and use tax exemption for elementary or secondary school book fairs.

BY repealing and reenacting, without amendments,  
 Article – Tax – General  
 Section 11–204(b)(5) and (6)  
 Annotated Code of Maryland  
 (2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Tax – General  
 Section 11–204(b)(7) and (8)  
 Annotated Code of Maryland  
 (2022 Replacement Volume and 2025 Supplement)

BY adding to  
 Article – Tax – General  
 Section 11–204(b)(9)  
 Annotated Code of Maryland  
 (2022 Replacement Volume and 2025 Supplement)

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

**Article – Tax – General**

11–204.

(b) The sales and use tax does not apply to a sale by:

(5) an elementary or secondary school in the State or a nonprofit parent–teacher organization or other nonprofit organization within an elementary or secondary school in the State for the sale of magazine subscriptions in a fund–raising campaign, if the net proceeds are used solely for the educational benefit of the school or its students, including a sale resulting from an agreement or contract with an organization to

participate in a fund-raising campaign for a percentage of the gross receipts under which students act as agents or salespersons for the organization by selling or taking orders for the sale;

(6) a parent-teacher organization or other organization within an elementary or secondary school in the State or within a school system in the State;

(7) subject to subsection (e) of this section, a bona fide church, religious organization, or other nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code if:

(i) the sale is made at an auction sale; and

(ii) the proceeds of the sale are used to carry on the exempt purposes of the church or organization; [or]

(8) a nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code that maintains a memorial on property that is owned by the State if the proceeds of the sale are used to maintain a memorial on property that is owned by the State; **OR**

**(9) AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE OR A NONPROFIT PARENT-TEACHER ORGANIZATION OR OTHER NONPROFIT ORGANIZATION WITHIN AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE IF THE SALE IS MADE AT A BOOK FAIR HELD IN-PERSON ON THE PREMISES OF THE SCHOOL AND THE NET PROCEEDS ARE USED SOLELY FOR THE EDUCATIONAL BENEFIT OF THE SCHOOL OR ITS STUDENTS, INCLUDING A SALE RESULTING FROM AN AGREEMENT OR A CONTRACT WITH AN ORGANIZATION TO PARTICIPATE IN A BOOK FAIR FOR A PERCENTAGE OF THE GROSS RECEIPTS UNDER WHICH STUDENTS, TEACHERS, SCHOOL STAFF, OR MEMBERS OF THE PARENT-TEACHER ORGANIZATION OR OTHER NONPROFIT ORGANIZATION WITHIN AN ELEMENTARY OR SECONDARY SCHOOL ACT AS AGENTS OR SALESPERSONS FOR THE THIRD-PARTY VENDOR BY MANAGING THE BOOK FAIR.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

**Approved by the Governor, April 28, 2026.**