

SB0644/193721/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 644
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “providing that” and substitute “authorizing”; in line 4, after “tax,” insert “a buyer to issue”; in line 5, strike “shall be deemed fully completed”; in line 6, after “circumstances” insert “and subject to certain limitations”; strike beginning with “providing” in line 6 down through “retroactively;” in line 13 and substitute “providing for the application for and denial, renewal, and revocation of an authorization for a buyer to issue multiple points of use certificates; providing for the validity and rescission of multiple points of use certificates; requiring an authorized buyer to provide and a vendor to verify a multiple points of use certificate in a certain manner;”; strike in their entirety lines 15 through 19, inclusive; in line 22, strike “11–403(e)” and substitute “11–403(a) and (e)”; and after line 24, insert:

“BY adding to

Article – Tax – General

Section 11–403(e)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 5, insert:

“(3) “AUTHORIZED BUYER” MEANS A BUYER AUTHORIZED BY THE COMPTROLLER TO ISSUE TO A VENDOR A MULTIPLE POINTS OF USE CERTIFICATE.”;

in lines 6, 8, and 15, strike “(3)”, “(4)”, and “(5)”, respectively, and substitute “**(4)**”, “**(5)**”, and “**(6)**”, respectively; after line 16, insert:

“(E) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A BUYER MAY ISSUE A MULTIPLE POINTS OF USE CERTIFICATE IF:

(I) THE BUYER REGISTERS WITH THE COMPTROLLER FOR A SALES AND USE TAX ACCOUNT;

(II) FOLLOWING REGISTRATION IN ACCORDANCE WITH ITEM (I) OF THIS PARAGRAPH, THE BUYER REQUESTS AND OBTAINS AUTHORIZATION FROM THE COMPTROLLER TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE; AND

(III) THE BUYER HAS PAID ALL UNDISPUTED TAXES PAYABLE TO THE COMPTROLLER OR PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION OF THE TAX.

(2) AN AUTHORIZATION TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE SHALL BE VALID FOR A PERIOD NOT LESS THAN 2 YEARS UNLESS SUSPENDED OR REVOKED BY THE COMPTROLLER UNDER PARAGRAPH (5) OF THIS SUBSECTION.

(3) A BUYER MAY APPLY TO THE COMPTROLLER FOR A RENEWAL OF THE AUTHORIZATION TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE NOT MORE THAN 90 DAYS BEFORE THE EXPIRATION OF THE CURRENT AUTHORIZATION.

(4) THE COMPTROLLER MAY DENY A BUYER’S REQUEST FOR AUTHORIZATION OR RENEWAL OF AN AUTHORIZATION TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE DUE TO THE BUYER’S FRAUD, GROSS NEGLIGENCE, MISUSE OF A MULTIPLE POINTS OF USE CERTIFICATE, DELINQUENCY IN THE

PAYMENT OF UNDISPUTED SALES AND USE TAX, OR OTHER SIMILAR REASONABLE CAUSE.

(5) (I) ON WRITTEN NOTICE TO A BUYER, THE COMPTROLLER MAY REVOKE THE BUYER'S AUTHORIZATION TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE DUE TO THE BUYER'S FRAUD, GROSS NEGLIGENCE, MISUSE OF A MULTIPLE POINTS OF USE CERTIFICATE, DELINQUENCY IN THE PAYMENT OF UNDISPUTED SALES AND USE TAX, OR OTHER SIMILAR REASONABLE CAUSE.

(II) FOLLOWING REVOCATION OF A BUYER'S AUTHORIZATION TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE, ANY MULTIPLE POINTS OF USE CERTIFICATE ISSUED BY THE BUYER TO VENDORS SHALL BE VOID FROM THE DATE THAT THE COMPTROLLER ISSUES THE NOTICE UNDER PARAGRAPH (7) OF THIS SUBSECTION.

(6) IF THE COMPTROLLER REVOKES A BUYER'S AUTHORIZATION IN ACCORDANCE WITH PARAGRAPH (5) OF THIS SUBSECTION, THE BUYER SHALL PROVIDE THE COMPTROLLER A LIST OF ALL VENDORS TO WHICH THE BUYER ISSUED MULTIPLE POINTS OF USE CERTIFICATES.

(7) (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE COMPTROLLER SHALL PROVIDE WRITTEN NOTIFICATION TO EACH VENDOR THAT HAS RECEIVED A MULTIPLE POINTS OF USE CERTIFICATE FROM A BUYER WHOSE AUTHORITY TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE HAS BEEN REVOKED.

(II) THE NOTICE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL ADVISE THE VENDOR OF THE DATE ON WHICH A MULTIPLE POINTS OF USE CERTIFICATE HAS BEEN VOIDED.

(III) ON RECEIPT OF NOTICE FROM THE COMPTROLLER THAT A MULTIPLE POINTS OF USE CERTIFICATE IS VOID, THE VENDOR IS RESPONSIBLE FOR COLLECTING OR PAYING AND REMITTING THE TAX ON SALES TO THE BUYER WHOSE AUTHORIZATION TO ISSUE A MULTIPLE POINTS OF USE CERTIFICATE HAS BEEN REVOKED.”;

in line 17, strike “(e)” and substitute “**(F)**”; in the same line, strike “A” and substitute “**AN AUTHORIZED**”; and in line 28, after “at” insert “**OR BEFORE**”.

On pages 2 and 3, strike in their entirety the lines beginning with line 29 on page 2 through line 11 on page 3, inclusive, and substitute:

“(2) A MULTIPLE POINTS OF USE CERTIFICATE PROVIDED TO A VENDOR IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION SHALL REMAIN IN EFFECT FOR ALL FUTURE PURCHASES FROM THE VENDOR UNTIL:

(I) THE AUTHORIZED BUYER RESCINDS THE MULTIPLE POINTS OF USE CERTIFICATE;

(II) THE VENDOR RECEIVES NOTICE FROM THE COMPTROLLER THAT THE BUYER’S AUTHORIZATION TO ISSUE MULTIPLE POINTS OF USE CERTIFICATES HAS BEEN REVOKED; OR

(III) THE VENDOR OTHERWISE KNOWS OR SHOULD KNOW THAT THE BUYER’S AUTHORIZATION TO ISSUE MULTIPLE POINTS OF USE CERTIFICATES HAS BEEN REVOKED.”.

On page 3, in line 12, strike “(4)” and substitute “**(3)**”; in the same line, strike “(I)”; in the same line, strike “fully completed certificate indicating” and substitute

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“PROPERLY PRODUCED AND ISSUED”; in line 13, after “use” insert “CERTIFICATE”; in line 14, after “Comptroller” insert “UNTIL THE VENDOR RECEIVES NOTIFICATION OF RESCISSION BY THE AUTHORIZED BUYER OR REVOCATION BY THE COMPTROLLER,”; in the same line, strike “(6)” and substitute “(7)”; strike in their entirety lines 16 through 28, inclusive, and substitute:

“(4) AN AUTHORIZED BUYER MAY RESCIND A MULTIPLE POINTS OF USE CERTIFICATE ISSUED TO A VENDOR.

“(5) A VENDOR THAT HAS RECEIVED NOTICE THAT A BUYER HAS RESCINDED A MULTIPLE POINTS OF USE CERTIFICATE IS RESPONSIBLE FOR COLLECTING OR PAYING AND REMITTING THE TAX ON SALES MADE TO THE BUYER AFTER THE DATE OF RESCISSION.”;

in line 29, strike “(5)” and substitute “(6)”; in the same line, after “The” insert “AUTHORIZED”; in line 30, after “may” insert “, FOR EACH SALE SUBJECT TO THE MULTIPLE POINTS OF USE CERTIFICATE,”; in line 31, after the first “the” insert “AUTHORIZED”; and in line 32, after “State” insert “TO DETERMINE THE APPLICABLE TAX DUE”.

On page 4, in lines 1, 17, and 23, strike “(6)”, “(7)”, and “(8)”, respectively, and substitute “(7)”, “(8)”, and “(9)”, respectively; strike beginning with “on” in line 1 down through “determined” in line 2 and substitute “USED TO DETERMINE THE APPLICABLE TAX DUE IS”; in line 23, strike “(I)”; in the same line, strike “certificate indicating”; in the same line, after “use” insert “CERTIFICATE”; strike in their entirety lines 25 through 31, inclusive, and substitute:

“(10) AN AUTHORIZED BUYER SHALL GENERATE A MULTIPLE POINTS OF USE CERTIFICATE FOR EACH VENDOR FROM WHICH THE BUYER

(Over)

INTENDS TO MAKE PURCHASES SUBJECT TO A MULTIPLE POINTS OF USE CERTIFICATE:

(I) USING THE COMPTROLLER'S ONLINE APPLICATION OR OTHER MECHANISM PROVIDED BY THE COMPTROLLER; AND

(II) IN THE FORM AND MANNER REQUIRED BY THE COMPTROLLER.

(11) IN ORDER TO GENERATE A MULTIPLE POINTS OF USE CERTIFICATE, AN AUTHORIZED BUYER SHALL PROVIDE THE FOLLOWING INFORMATION:

(I) THE NAME OF THE AUTHORIZED BUYER;

(II) THE ADDRESS OF THE AUTHORIZED BUYER;

(III) THE MARYLAND COMBINED REGISTRATION NUMBER OF THE AUTHORIZED BUYER;

(IV) THE NAME OF THE VENDOR;

(V) THE ADDRESS OF THE VENDOR;

(VI) A STATEMENT AFFIRMING THAT ALL PURCHASES BY THE AUTHORIZED BUYER FROM THE VENDOR WILL HAVE MULTIPLE POINTS OF USE UNLESS THE AUTHORIZED BUYER OTHERWISE NOTIFIES THE VENDOR; AND

(VII) EXCEPT AS PROVIDED IN PARAGRAPH (12) OF THIS SUBSECTION, ANY OTHER INFORMATION THAT THE COMPTROLLER REQUIRES.

(12) AN AUTHORIZED BUYER MAY NOT BE REQUIRED TO PROVIDE AN ESTIMATE OF APPORTIONED USE IN THE STATE IN ORDER TO GENERATE A MULTIPLE POINTS OF USE CERTIFICATE.

(13) WHEN AN AUTHORIZED BUYER WHO HAS PROVIDED A VENDOR WITH A MULTIPLE POINTS OF USE CERTIFICATE REASONABLY ANTICIPATES THAT A PURCHASE FROM THAT VENDOR WILL BE USED IN THE STATE AND NOT OUTSIDE THE STATE, THE AUTHORIZED BUYER SHALL:

(I) NOTIFY THE VENDOR THAT THE SALE IS NOT SUBJECT TO THE MULTIPLE POINTS OF USE CERTIFICATE; AND

(II) PAY THE SALES TAX ON THAT PURCHASE TO THE VENDOR AT THE TIME OF THE SALE.

(14) A VENDOR THAT RECEIVES A MULTIPLE POINTS OF USE CERTIFICATE FROM AN AUTHORIZED BUYER SHALL, ON RECEIPT, VERIFY THE AUTHENTICITY OF THE CERTIFICATE IN THE MANNER PRESCRIBED BY THE COMPTROLLER.

(15) A VENDOR SHALL OBTAIN A MULTIPLE POINTS OF USE CERTIFICATE FROM AN AUTHORIZED BUYER:

(I) BEFORE THE SALE IS CONSUMMATED; OR

(II) IF THE VENDOR RECEIVES A NOTICE OF THE COMPTROLLER'S INTENT TO ASSESS SALES AND USE TAX FOR FAILURE TO

(Over)

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**OBTAIN A PROPER MULTIPLE POINTS OF USE CERTIFICATE, WITHIN 60 DAYS
AFTER THE DATE ON WHICH THE NOTICE IS MAILED.**;

in line 32, strike “3.” and substitute “2.”; and in lines 32 and 33, strike “July 1, 2026” and substitute “January 1, 2027”.