

Chapter 731

(Senate Bill 193)

AN ACT concerning

Washington County – Sales and Use Tax Exemption – Target Redevelopment Area

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

BY adding to

Article – Tax – General

Section 11–247

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

11–247.

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

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

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

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

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

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

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

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

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

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

(C) FOR AT LEAST 3 YEARS AFTER THE DATE OF A SALE DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION, THE BUYER SHALL MAINTAIN A RECORD OF THE AMOUNT OF SALES AND USE TAX THAT WAS NOT PAID AS A RESULT OF THE EXEMPTION UNDER THIS SECTION.

(D) (1) ON OR BEFORE OCTOBER 1, 2027, AND EACH OCTOBER 1 THEREAFTER, EACH BUYER THAT RECEIVES A CERTIFICATE ISSUED IN ACCORDANCE WITH THIS SECTION SHALL REPORT TO THE COMPTROLLER THE AMOUNT OF SALES AND USE TAX THAT WAS NOT PAID AS A RESULT OF THE EXEMPTION UNDER THIS SECTION DURING THE IMMEDIATELY PRECEDING FISCAL YEAR.

(2) ON OR BEFORE DECEMBER 31, 2027, AND EACH DECEMBER 31 THEREAFTER, THE COMPTROLLER SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE AGGREGATE AMOUNT OF SALES AND USE TAX THAT WAS NOT PAID AS A RESULT OF THE EXEMPTION UNDER THIS SECTION DURING THE IMMEDIATELY PRECEDING FISCAL YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026. It shall remain effective for a period of 10 years and, at the end of June 30, 2036, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 26, 2026.