

MARY L. WASHINGTON, PH.D
Legislative District 43
Baltimore City

Education, Health, and
Environmental Affairs Committee

Chair
Joint Committee on Ending
Homelessness

Chair
Joint Committee on Children,
Youth, and Families



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 102
Annapolis, Maryland 21401
410-841-3145 · 301-858-3145
800-492-7122 Ext. 3145
Mary.Washington@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SUPPORT – HB 730/SB 567
TEMPORARY SALES TAX EXEMPTION CERTIFICATES –
OUT OF STATE NON-PROFIT ORGANIZATIONS

Problem: By law, Maryland can only issue sales tax exemption certificates to qualifying, nonprofit organizations located in Maryland or in any of the following adjacent jurisdictions: Delaware, Pennsylvania, Virginia, West Virginia, and Washington, D.C.

Proposal: Giving temporary sales tax exemption certificates to nonprofit organizations coming from outside of Maryland to hold conventions or conferences. If the State extended tax exemption certificates to *all* out of state nonprofits, it is likely that more organizations from around the country would host conferences and/or events in Maryland. This boost in convention business and tourism should offset revenues lost from not collecting sales tax.

The following organization in Maryland currently qualify for exemption certificates:

- Nonprofit charitable, educational, and religious organizations
- Volunteer fire companies and rescue squads
- Nonprofit cemetery companies
- Qualifying veterans organizations
- Government agencies
- Credit unions

How Will It Work: An organization may use its exemption certificate to purchase tangible personal property needed in connection with and for use solely at a conference or convention in the State. This would include office supplies and equipment and supplies used in fundraising activities, but would not include items used to conduct an “unrelated trade or business” as defined by Section 513 of the U.S. Internal Revenue Code.

The exemption certificate is a wallet-sized card, bearing the holder’s eight-digit exemption number and an expiration date. An exemption certificate is not transferable and applies only to purchases made by the registered organization.

SB567 is simply a bill meant to encourage more out-of-state non-profits to come to Maryland to hold their events.

In Partnership,

A handwritten signature in blue ink, appearing to read 'Mary Washington'.

Mary Washington