

DELEGATE DARRYL BARNES  
*Legislative District 25*  
Prince George's County

ASSISTANT SPEAKER PRO TEM  
DEPUTY MAJORITY WHIP

Ways and Means Committee

*Chair*  
Legislative Black Caucus of Maryland



The Maryland House of Delegates  
6 Bladen Street, Room 363  
Annapolis, Maryland 21401  
410-841-3557 · 301-858-3557  
800-492-7122 Ext. 3557  
Fax 410-841-3498 · 301-858-3498  
Darryl.Barnes@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

February 20, 2020

**FAVORABLE SUPPORT of HB 730/SB 567**  
**Sales and Use Tax – Exemption- Out-of-State Nonprofit Organizations**

Dear Chairwoman Kaiser and Members of the Ways & Means Committee:

I strongly urge you to vote favorably on HB 730/SB 567: Sale and Use Tax-Exemption-Out-of-State Nonprofit Organizations. HB 730 provides greater opportunities for strengthening our state's economy as it attracts more businesses to Maryland.

**What the Bill Does**

This bill permits temporary sales tax exemption certificates to nonprofit organizations outside of Maryland for the purpose holding conventions or conferences.

With further extensions of tax exemption certifications to out of state non-profit organizations, the state of Maryland will have the opportunity to generate more business and revenue due to the high volumes of individuals being captivated by the convention or conferences.

Sales tax exemption certificates enable a purchaser to make tax-free purchases that would normally be subject to sales tax.

**How does it work**

1. The non-profit organization fills out a certificate which is a wallet sized card that is registered only to the organization. This certificate is used ONLY to purchase items that is needed to carry out their work. These items include such as office supplies, equipment and any other supplies.
2. Once the organization has filled out the certificate, the certificate is then given to the seller.
3. With the seller having the certificate, the organization can purchase the supplies needed from the seller without being charged any sales tax.

**This does not include items that are used for “unrelated trade or business” as defined by Sections 513 of the U.S. Internal Revenue Code. It may not be used for:**

- Personal use of officials, members or employees of the organization, or to purchase items that will be donated to the organization.

**Why is this important**

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.

Enabling eligible non-profit organizations to receive sales tax exemptions, further establishes Maryland as a desirable location for businesses to host their events.

**I strongly urge you to support HB 730/SB 567: Sales and Use Tax – Exemption- Out-of-State Nonprofit Organizations**

Sincerely,

*Darryl Barnes*

Darryl Barnes  
Chairman, Legislative Black Caucus of Maryland, Inc.