

HOUSE BILL 1277

Q4, O3

3lr1616

By: **Delegates Cardin, Bobo, A. Kelly, Niemann, Stukes, V. Turner, and Vaughn**

Introduced and read first time: February 8, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Ammunition – Developmental Disabilities Funding**

3 FOR the purpose of increasing the sales and use tax rate for ammunition; distributing
4 the revenue from the sales and use tax on ammunition to a certain fund used to
5 pay for services for individuals with developmental disabilities; and generally
6 relating to the sales and use tax on ammunition.

7 BY repealing and reenacting, without amendments,
8 Article – Health – General
9 Section 7–205(a), (b), and (c)
10 Annotated Code of Maryland
11 (2009 Replacement Volume and 2012 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Health – General
14 Section 7–205(d)(1)
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2012 Supplement)

17 BY adding to
18 Article – Tax – General
19 Section 2–1302.2 and 11–104(j)
20 Annotated Code of Maryland
21 (2010 Replacement Volume and 2012 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Tax – General
24 Section 2–1303
25 Annotated Code of Maryland
26 (2010 Replacement Volume and 2012 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Tax – General
3 Section 11–104(a)
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2012 Supplement)

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

8 **Article – Health – General**

9 7–205.

10 (a) (1) There is a continuing, nonlapsing Waiting List Equity Fund in the
11 Department of Health and Mental Hygiene.

12 (2) The purpose of the Waiting List Equity Fund is to ensure that:

13 (i) When individuals leave State residential centers, the net
14 average cost of serving them in the State residential center, as defined in subsection
15 (d)(2) of this section, shall follow them to community–based services; and

16 (ii) Any funds remaining after the individuals leaving State
17 residential centers are served, are used to provide community–based services to
18 individuals eligible for, but not receiving, the community–based services listed in
19 subsection (c) of this section.

20 (b) Subject to the appropriation process in the annual operating budget, the
21 Department shall use the Waiting List Equity Fund for providing community–based
22 services to individuals eligible for, but not receiving, services from the Developmental
23 Disabilities Administration.

24 (c) For individuals eligible for, but not receiving, services from the
25 Developmental Disabilities Administration in the Department, the Waiting List
26 Equity Fund shall be used to provide:

27 (1) Individualized supported living arrangements services;

28 (2) Respite care;

29 (3) Individual and family support services;

30 (4) Supported employment; and

31 (5) Individualized community integration day services.

1 (d) (1) The Waiting List Equity Fund shall consist of:

2 (i) Subject to the appropriation process in the annual operating
3 budget, funds which are equal to the cost of providing services to an individual in a
4 State residential center for each fiscal year, or part of a fiscal year, that the individual
5 is no longer served in a State residential center and is provided community-based
6 services as defined in paragraph (2) of this subsection;

7 (ii) The net proceeds from contributions under the income tax
8 checkoff system established under § 2-113 of the Tax – General Article; [and]

9 (III) REVENUE FROM THE SALES AND USE TAX ON
10 AMMUNITION DISTRIBUTED TO THE FUND UNDER § 2-1302.2 OF THE
11 TAX – GENERAL ARTICLE; AND

12 [(iii)] (IV) Any other money from any other source accepted for
13 the benefit of the Fund.

14 Article – Tax – General

15 **2-1302.2.**

16 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301
17 THROUGH 2-1302.1 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE
18 THE REVENUE FROM THE SALES AND USE TAX ON AMMUNITION UNDER §
19 11-104(J) OF THIS ARTICLE TO THE WAITING LIST EQUITY FUND ESTABLISHED
20 UNDER § 7-205 OF THE HEALTH – GENERAL ARTICLE.

21 2-1303.

22 After making the distributions required under §§ 2-1301 through [2-1302.1]
23 **2-1302.2** of this subtitle, the Comptroller shall pay:

24 (1) revenues from the hotel surcharge into the Dorchester County
25 Economic Development Fund established under § 10-130 of the Economic
26 Development Article; and

27 (2) the remaining sales and use tax revenue into the General Fund of
28 the State.

29 11-104.

30 (a) Except as otherwise provided in this section, the sales and use tax rate is:

31 (1) for a taxable price of less than \$1:

- 1 (i) 1 cent if the taxable price is 20 cents;
- 2 (ii) 2 cents if the taxable price is at least 21 cents but less than
3 34 cents;
- 4 (iii) 3 cents if the taxable price is at least 34 cents but less than
5 51 cents;
- 6 (iv) 4 cents if the taxable price is at least 51 cents but less than
7 67 cents;
- 8 (v) 5 cents if the taxable price is at least 67 cents but less than
9 84 cents; and
- 10 (vi) 6 cents if the taxable price is at least 84 cents; and
- 11 (2) for a taxable price of \$1 or more:
- 12 (i) 6 cents for each exact dollar; and
- 13 (ii) for that part of a dollar in excess of an exact dollar:
- 14 1. 1 cent if the excess over an exact dollar is at least 1
15 cent but less than 17 cents;
- 16 2. 2 cents if the excess over an exact dollar is at least 17
17 cents but less than 34 cents;
- 18 3. 3 cents if the excess over an exact dollar is at least 34
19 cents but less than 51 cents;
- 20 4. 4 cents if the excess over an exact dollar is at least 51
21 cents but less than 67 cents;
- 22 5. 5 cents if the excess over an exact dollar is at least 67
23 cents but less than 84 cents; and
- 24 6. 6 cents if the excess over an exact dollar is at least 84
25 cents.

26 **(J) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**
27 **THE MEANINGS INDICATED.**

28 **(II) "AMMUNITION" MEANS A PROJECTILE THAT IS**
29 **DESIGNED TO BE PROPELLED OR DISCHARGED FROM A FIREARM.**

1 **(III) “FIREARM” HAS THE MEANING STATED IN § 5-101 OF**
2 **THE PUBLIC SAFETY ARTICLE.**

3 **(2) THE SALES AND USE TAX RATE FOR AMMUNITION IS 50% OF**
4 **THE TAXABLE PRICE.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2013.