

HOUSE BILL 1304

C2

0lr0653

By: **Delegate Ramirez**

Introduced and read first time: February 18, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Pawn Transactions**

3 FOR the purpose of providing that a certain exemption from the sales and use tax does
4 not apply to the sale of certain pawn transactions made over a certain period of
5 time involving property of a certain value; altering certain definitions under the
6 sales and use tax law; and generally relating to the application of the sales and
7 use tax to certain pawn transactions.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 11–101(a)
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2009 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 11–101(h)(3)(ii)1. and (i) and 11–209(a)
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2009 Supplement)

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

20 **Article – Tax – General**
21 11–101.

22 (a) In this title the following words have the meanings indicated.

23 (h) (3) “Retail sale” does not include:

24 (ii) a sale of tangible personal property if the buyer intends to:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 1. resell the tangible personal property in the form that
2 the buyer receives or is to receive the property, **UNLESS THE SELLER IS A PERSON**
3 **WHO DURING THE PRECEDING CALENDAR YEAR ENGAGED IN PAWN**
4 **TRANSACTIONS AS DEFINED UNDER § 12-101 OF THE BUSINESS REGULATION**
5 **ARTICLE INVOLVING PROPERTY HAVING A VALUE IN THE AGGREGATE OF AT**
6 **LEAST \$1,000;**

7 (i) (1) “Sale” means a transaction for a consideration whereby:

8 (i) title or possession of property is transferred or is to be
9 transferred absolutely or conditionally by any means, including by lease, rental,
10 royalty agreement, or grant of a license for use; or

11 (ii) a person performs a service for another person.

12 (2) **“SALE” INCLUDES A PAWN TRANSACTION AS DEFINED UNDER**
13 **§ 12-101 OF THE BUSINESS REGULATION ARTICLE IF THE PERSON PAWNING**
14 **THE PROPERTY ENGAGED IN PAWN TRANSACTIONS DURING THE PRECEDING**
15 **CALENDAR YEAR INVOLVING PROPERTY HAVING A VALUE IN THE AGGREGATE**
16 **OF AT LEAST \$1,000.**

17 (3) “Sale” does not include a transaction whereby an employee
18 performs a service for the employee’s employer.

19 11-209.

20 (a) (1) The sales and use tax does not apply to a casual and isolated sale
21 by a person who regularly does not sell tangible personal property or a taxable service
22 if:

23 [(1)] (I) the sale price is less than \$1,000; and

24 [(2)] (II) the sale is not made through an auctioneer or a dealer.

25 (2) **THE EXEMPTION UNDER PARAGRAPH (1) OF THIS**
26 **SUBSECTION DOES NOT APPLY TO A SALE BY A PERSON WHO DURING THE**
27 **PRECEDING CALENDAR YEAR ENGAGED IN PAWN TRANSACTIONS AS DEFINED**
28 **UNDER § 12-101 OF THE BUSINESS REGULATION ARTICLE INVOLVING**
29 **PROPERTY HAVING A VALUE IN THE AGGREGATE OF AT LEAST \$1,000.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2010.