

Chapter 609

(House Bill 232)

AN ACT concerning

Sales and Use Tax – Exemption – Parent–Teacher Organization Fundraisers

FOR the purpose of providing that the sales and use tax does not apply to a sale by certain ~~nonprofit~~ parent–teacher organizations or other ~~nonprofit~~ organizations within an elementary or secondary school in the State or within a school system in the State; and generally relating to a sales and use tax exemption for certain ~~nonprofit~~ parent–teacher organizations.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–204(b)
Annotated Code of Maryland
(2010 Replacement Volume and 2012 Supplement)

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

Article – Tax – General

11–204.

(b) The sales and use tax does not apply to a sale by:

(1) a bona fide church or religious organization, if the sale is made for the general purposes of the church or organization;

(2) a gift shop at a mental hospital that the Department of Health and Mental Hygiene operates;

(3) a hospital thrift shop that:

(i) is operated by all volunteer staff;

(ii) sells only donated articles;

(iii) contributes the profits from sales to the hospital with which the shop is associated; and

(iv) is not operated in conjunction with a gift shop or another retail establishment;

(4) a vending facility operated under the Maryland Vending Program for the Blind if:

(i) the facility is located on property held or acquired by or for the use of the United States for any military or naval purpose; and

(ii) a post exchange or other tax-exempt concession is located and operated on the same property;

(5) an elementary or secondary school in the State or a nonprofit parent-teacher organization or other nonprofit organization within an elementary or secondary school in the State for the sale of magazine subscriptions in a fund-raising campaign, if the net proceeds are used solely for the educational benefit of the school or its students, including a sale resulting from an agreement or contract with an organization to participate in a fund-raising campaign for a percentage of the gross receipts under which students act as agents or salespersons for the organization by selling or taking orders for the sale;

(6) A ~~NONPROFIT~~ PARENT-TEACHER ORGANIZATION OR OTHER ~~NONPROFIT~~ ORGANIZATION WITHIN AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE OR WITHIN A SCHOOL SYSTEM IN THE STATE; or

[(6)] (7) subject to subsection (e) of this section, a bona fide church, religious organization, or other nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code if:

(i) the sale is made at an auction sale; and

(ii) the proceeds of the sale are used to carry on the exempt purposes of the church or organization.

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

Approved by the Governor, May 16, 2013.