

# HOUSE BILL 319

Q4

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CF SB 19

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By: **Delegates Proctor, Anderson, Aumann, Bates, Beidle, Cane, Cluster, DeBoy, Dumais, Eckardt, Elliott, Feldman, Frank, Frush, Hershey, Howard, Hubbard, Hucker, Impallaria, Krebs, Love, Malone, McDonough, McHale, O'Donnell, Ross, Vallario, and Wood**

Introduced and read first time: January 30, 2012

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Veterans’ Organizations**

3 FOR the purpose of repealing a certain termination provision applicable to a sales and  
4 use tax exemption for sales to certain veterans’ organizations; and generally  
5 relating to a sales and use tax exemption for certain sales to certain veterans’  
6 organizations.

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – General  
9 Section 11–204(a)  
10 Annotated Code of Maryland  
11 (2010 Replacement Volume and 2011 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Chapter 217 of the Acts of the General Assembly of 2006, as amended by  
14 Chapter 506 of the Acts of the General Assembly of 2009  
15 Section 2

16 BY repealing and reenacting, with amendments,  
17 Chapter 218 of the Acts of the General Assembly of 2006, as amended by  
18 Chapter 506 of the Acts of the General Assembly of 2009  
19 Section 2

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

22 **Article – Tax – General**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11-204.

2 (a) The sales and use tax does not apply to:

3 (1) a sale to a cemetery company, as described in § 501(c)(13) of the  
4 Internal Revenue Code in effect on July 1, 1987;

5 (2) a sale to a credit union organized under the laws of the State or of  
6 the United States;

7 (3) a sale to a nonprofit organization made to carry on its work, if the  
8 organization:

9 (i) 1. is located in the State;

10 2. is located in an adjacent jurisdiction and provides its  
11 services within the State on a routine and regular basis; or

12 3. is located in an adjacent jurisdiction whose law:

13 A. does not impose a sales or use tax on a sale to a  
14 nonprofit organization made to carry on its work; or

15 B. contains a reciprocal exemption from sales and use  
16 tax for sales to nonprofit organizations located in adjacent jurisdictions similar to the  
17 exemption allowed under this subsection;

18 (ii) is a charitable, educational, or religious organization;

19 (iii) is not the United States; and

20 (iv) except for the American National Red Cross, is not a unit or  
21 instrumentality of the United States;

22 (4) a sale, not exceeding \$500, to a nonprofit incorporated senior  
23 citizens' organization made to carry on its work, if the organization:

24 (i) is located in the State; and

25 (ii) receives funding from the State or a political subdivision of  
26 the State;

27 (5) a sale to a volunteer fire company or department or volunteer  
28 ambulance company or rescue squad located in the State made to carry on the work of  
29 the company, department, or squad;

1 (6) a sale of tangible personal property to a nonprofit parent–teacher  
 2 association located in the State if the association makes the purchase to contribute the  
 3 property to a school to which a sale is exempt under item (3) of this subsection or §  
 4 11–220 of this subtitle;

5 (7) a sale to a nonprofit organization made to carry on its work, if the  
 6 organization:

7 (i) is qualified as tax exempt under § 501(c)(4) of the Internal  
 8 Revenue Code; and

9 (ii) is engaged primarily in providing a program to render its  
 10 best efforts to contain, clean up, and otherwise mitigate spills of oil or other  
 11 substances occurring in United States coastal and tidal waters; **OR**

12 (8) a sale to a bona fide nationally organized and recognized  
 13 organization of veterans of the armed forces of the United States or an auxiliary of the  
 14 organization or one of its units, if the organization is qualified as tax exempt under §  
 15 **501(C)(4) OR** § 501(c)(19) of the Internal Revenue Code[; or

16 (9) a sale to a bona fide nationally organized and recognized  
 17 organization of veterans of the armed forces of the United States or an auxiliary of the  
 18 organization or one of its units, if the organization is qualified as tax exempt under §  
 19 501(c)(4) of the Internal Revenue Code].

20 **Chapter 217 of the Acts of 2006, as amended by Chapter 506 of the Acts of**  
 21 **2009**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 23 July 1, 2006. [It shall remain effective for a period of 6 years and, at the end of June  
 24 30, 2012, with no further action required by the General Assembly, this Act shall be  
 25 abrogated and of no further force and effect.]

26 **Chapter 218 of the Acts of 2006, as amended by Chapter 506 of the Acts of**  
 27 **2009**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 29 July 1, 2006. [It shall remain effective for a period of 6 years and, at the end of June  
 30 30, 2012, with no further action required by the General Assembly, this Act shall be  
 31 abrogated and of no further force and effect.]

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 33 June 1, 2012.