

HOUSE BILL 780

Q7, A1

1lr1798

By: **Delegate Conaway**

Introduced and read first time: February 10, 2011

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Surcharge – Alcoholic Beverages**

3 FOR the purpose of imposing a supplemental surcharge on the sale of alcoholic
4 beverages in the State; establishing the amount of the surcharge; and generally
5 relating to imposing a supplemental surcharge on the sale of alcoholic beverages
6 in the State.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 1–101(s) and 11–102
10 Annotated Code of Maryland
11 (2010 Replacement Volume)

12 BY adding to
13 Article – Tax – General
14 Section 11–104(g)
15 Annotated Code of Maryland
16 (2010 Replacement Volume)

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

19 **Article – Tax – General**

20 1–101.

21 (s) (1) “Sales and use tax” means the tax imposed under Title 11 of this
22 article.

23 (2) “Sales and use tax” includes:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(I)** the tax imposed on the use of certain electricity under
2 § 11-1A-01 of this article[.];

3 **[(3)] (II)** ["Sales and use tax" includes] the hotel surcharge imposed
4 under § 11-102(b) of this article; **AND**

5 **(III) THE ALCOHOLIC BEVERAGE SURCHARGE IMPOSED**
6 **UNDER § 11-102(C) OF THIS ARTICLE.**

7 11-102.

8 (a) Except as otherwise provided in this title, a tax is imposed on:

9 (1) a retail sale in the State; and

10 (2) a use, in the State, of tangible personal property or a taxable
11 service.

12 (b) (1) Subject to paragraph (2) of this subsection, in addition to the tax
13 imposed under subsection (a) of this section, a hotel surcharge is imposed in
14 Dorchester County on the sale of a right to occupy a room or lodgings as a transient
15 guest in an establishment that offers at least 380 rooms.

16 (2) The hotel surcharge imposed under paragraph (1) of this
17 subsection may not be imposed if the Maryland Economic Development Corporation
18 certifies to the Comptroller that the bonds issued by the Maryland Economic
19 Development Corporation secured by the Dorchester County Economic Development
20 Fund established under § 10-130 of the Economic Development Article have been paid
21 in full.

22 (c) **IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS**
23 **SECTION, A SURCHARGE IS IMPOSED ON THE SALE OF AN ALCOHOLIC**
24 **BEVERAGE, AS DEFINED IN § 5-101 OF THIS ARTICLE, IN THE STATE.**

25 **(D)** (1) A county, municipal corporation, special taxing district, or other
26 political subdivision of the State may not impose any retail sales or use tax except:

27 (i) a sales tax or use tax that was in effect on January 1, 1971;

28 (ii) a tax on the sale or use of:

29 1. fuels;

30 2. utilities;

31 3. space rentals; or

1 4. any controlled dangerous substance, as defined in
2 § 5–101 of the Criminal Law Article, unless the sale is made by a person who registers
3 under and complies with Title 5, Subtitle 3 of the Criminal Law Article; or

4 (iii) a tax imposed by a code county on the sale or use of food and
5 beverages authorized under Article 25B, § 13H of the Code.

6 (2) Paragraph (1) of this subsection may not be construed as
7 conferring authority to impose a sales and use tax.

8 11–104.

9 **(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
10 **SUBSECTION, THE ALCOHOLIC BEVERAGE SURCHARGE IMPOSED UNDER §**
11 **11–102(C) OF THIS SUBTITLE IS 10 CENTS FOR EACH CONTAINER OR VESSEL IN**
12 **WHICH AN ALCOHOLIC BEVERAGE IS SOLD.**

13 **(2) IF THE CONTAINER OR VESSEL IN WHICH AN ALCOHOLIC**
14 **BEVERAGE IS SOLD IS PACKAGED TOGETHER WITH OTHER CONTAINERS OR**
15 **VESSELS AS PART OF A CARTON OR CASE THAT IS SOLD AS A UNIT, THE**
16 **ALCOHOLIC BEVERAGE SURCHARGE IMPOSED UNDER § 11–102(C) OF THIS**
17 **SUBTITLE IS 10 CENTS TOTAL FOR THE CARTON OR CASE OF CONTAINERS OR**
18 **VESSELS THAT IS SOLD AS A UNIT.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2011.