

HOUSE BILL 785

Q4

2lr1064

By: **Delegate Clagett**

Introduced and read first time: February 9, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – Construction Materials and Equipment**

3 FOR the purpose of exempting from the sales and use tax certain sales of certain
4 materials and equipment to be used for certain purposes; requiring the
5 Comptroller and the Board of Public Works to adopt certain regulations relating
6 to a certain exemption from the sales and use tax; limiting a certain exemption
7 from the sales and use tax in relation to a certain amount of State income
8 derived from certain jobs; and generally relating to a sales and use tax
9 exemption for certain materials and equipment to be used for certain purposes.

10 BY adding to

11 Article – Tax – General

12 Section 11–232

13 Annotated Code of Maryland

14 (2010 Replacement Volume and 2011 Supplement)

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

17 **Article – Tax – General**

18 **11–232.**

19 **(A) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF:**

20 **(1) MATERIALS OR EQUIPMENT USED DIRECTLY AND**
21 **PREDOMINANTLY TO PERFORM STATE CONSTRUCTION PROJECTS; OR**

22 **(2) ELECTRICITY, FUEL, AND OTHER UTILITIES USED TO OPERATE**
23 **THE MACHINERY OR EQUIPMENT ON A STATE CONSTRUCTION PROJECT.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) (1) THE COMPTROLLER AND THE BOARD OF PUBLIC WORKS**
2 **SHALL JOINTLY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS**
3 **SECTION.**

4 **(2) TO QUALIFY FOR THE SALES AND USE TAX EXEMPTION UNDER**
5 **SUBSECTION (A) OF THIS SECTION, AN INDIVIDUAL OR CORPORATION SHALL**
6 **FILE AN APPLICATION FOR AN EXEMPTION CERTIFICATE WITH THE**
7 **COMPTROLLER.**

8 **(C) THE SALES AND USE TAX EXEMPTION UNDER SUBSECTION (A) OF**
9 **THIS SECTION MAY NOT EXCEED AN AMOUNT EQUAL TO THE INCOME TAX**
10 **REVENUE RECEIVED BY THE STATE FROM THE NEW FULL-TIME JOBS WITH**
11 **BENEFITS, EXCLUDING PROJECT CONSTRUCTION JOBS, GENERATED BY THE**
12 **PROJECT WITHIN A PERIOD OF 3 YEARS FROM COMPLETION OF THE PROJECT AS**
13 **DETERMINED BY REGULATION.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2012.