

SENATE BILL 522

Q4

6lr3340
CF 6lr1150

By: **Senator Reilly**

Introduced and read first time: February 4, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemptions – Girl Scouts and Boy Scouts**

3 FOR the purpose of exempting from the sales and use tax a sale by a chartered organization
4 or a scout unit chartered by a local council of the Boy Scouts of America established
5 in the State; exempting from the sales and use tax a sale by a troop of the Girl Scouts
6 of the USA established in the State; and generally relating to the sales and use tax.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 11–204(b)
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2015 Supplement)

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

14 **Article – Tax – General**

15 11–204.

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

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

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

21 (3) a hospital thrift shop that:

22 (i) is operated by all volunteer staff;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) sells only donated articles;

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

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

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

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

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

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

20 (6) a parent-teacher organization or other organization within an
21 elementary or secondary school in the State or within a school system in the State; [or]

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

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

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

28 **(8) A CHARTERED ORGANIZATION OF THE BOY SCOUTS OF AMERICA**
29 **OR A SCOUT UNIT CHARTERED BY A LOCAL COUNCIL OF THE BOY SCOUTS OF**
30 **AMERICA IN THE STATE; OR**

31 **(9) A TROOP OF THE GIRL SCOUTS OF THE USA ESTABLISHED IN THE**
32 **STATE.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2016.