

# SENATE BILL 720

Q4

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CF 7lr0617

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By: **Senator Eckardt**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – All-Terrain or Utility-Terrain Vehicles for**  
3 **Agricultural Purposes**

4 FOR the purpose of providing an exemption from the sales and use tax for the sale of certain  
5 all-terrain and utility-terrain vehicles used exclusively by certain individuals for  
6 certain agricultural purposes on certain property; and generally relating to the sales  
7 and use tax and agricultural equipment.

8 BY repealing and reenacting, with amendments,  
9 Article – Tax – General  
10 Section 11–201  
11 Annotated Code of Maryland  
12 (2016 Replacement Volume)

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

15 **Article – Tax – General**

16 11–201.

17 (a) The sales and use tax does not apply to a sale of the following items for an  
18 agricultural purpose:

- 19 (1) livestock;
- 20 (2) feed or bedding for livestock;
- 21 (3) seed, fertilizer, fungicide, herbicide, or insecticide;
- 22 (4) baler twine or wire;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (5) fuel for use in farm equipment or a farm tractor, as defined in §§  
2 11–120 and 11–121 of the Transportation Article; and

3 (6) if bought by a farmer:

4 (i) a container to transport farm products that the farmer raises to  
5 market;

6 (ii) a farm vehicle, as defined in § 13–911(c) of the Transportation  
7 Article, when used in farming;

8 (iii) a milking machine, when used in farming;

9 (iv) fabrication, processing, or service, by a sawmill, of wood products  
10 for farm use in which the farmer retains title; [and]

11 (v) **AN ALL–TERRAIN OR UTILITY–TERRAIN VEHICLE WHEN**  
12 **USED EXCLUSIVELY FOR AN AGRICULTURAL PURPOSE ON THE FARMER’S**  
13 **PROPERTY; AND**

14 (VI) farm equipment when used to:

15 1. raise livestock;

16 2. prepare, irrigate, or tend the soil; or

17 3. plant, service, harvest, store, clean, dry, or transport seeds  
18 or crops.

19 (b) Except for flowers, sod, decorative trees and shrubs, and any other product  
20 that usually is sold by a nursery or horticulturist, the sales and use tax does not apply to a  
21 sale of an agricultural product by a farmer.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2017.