

Annotated Code of Maryland
(1988 Volume and 1992 Supplement)

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

Article - Tax - General

11-408.

(a) If a buyer is required under Subtitle 2 of this title or by regulation to provide a vendor with evidence of an exemption, the vendor may not recognize the exemption unless the buyer, before the sale is consummated, provides the vendor with:

- (1) evidence that the buyer has an exemption certificate; or
- (2) the evidence that the Comptroller requires by regulation.

(b) (1) Except as provided in paragraph (2) of this subsection, the duty of a vendor to collect the sales and use tax from a buyer is waived if the buyer provides the vendor with a signed resale certificate that:

- (i) is in the form that the Comptroller requires by regulation;
- (ii) states the name, address, and registration certificate number of the buyer; and
- (iii) contains a statement to the effect that the tangible personal property or taxable service is bought for the purpose of resale.

(2) (I) A vendor may not accept a resale certificate [:

- (i) for a cash, check, or credit card sale if the taxable price is less than \$500; or
- (ii)] if the vendor knows or should know that the sale is not for the purpose of resale.

(II) A VENDOR MAY NOT ACCEPT A RESALE CERTIFICATE FOR A CASH, CHECK, OR CREDIT CARD SALE IF:

1. THE TAXABLE PRICE IS LESS THAN \$200; AND
2. THE TANGIBLE PERSONAL PROPERTY OR TAXABLE SERVICE IS NOT DELIVERED BY THE VENDOR DIRECTLY TO THE BUYER'S RETAIL PLACE OF BUSINESS.

(3) A vendor shall obtain a resale certificate from a buyer:

- (i) before the sale is consummated; or
- (ii) if the vendor receives a notice of the Comptroller's intent to assess sales and use tax for failure to obtain a proper resale certificate, within 60 days after the date on which the notice is mailed.