

Retail Sales Tax - Exemption

FOR the purpose of [[providing an exemption from the retail sales act for certain capital transactions]]
exempting certain capital transactions from the retail sales tax act.

BY adding to

Article 81 - Revenue and Taxes
 Section [[326 (gg)]] 326A
 Annotated Code of Maryland
 (1975 Replacement Volume and 1975 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section [[326 (gg)]] 326A be and it is hereby added to Article 81 - Revenue and Taxes, of the Annotated Code of Maryland (1975 Replacement Volume and 1975 Supplement) to read as follows:

Article 81 - Revenue and Taxes

[[326.

The tax hereby levied shall not apply to the following sales:

(GG) THE FOLLOWING CAPITAL TRANSACTIONS:]]

326A.

THE TAX LEVIED BY THIS SUBTITLE DOES NOT APPLY TO THE FOLLOWING CAPITAL TRANSACTIONS:

(1) [[THE TRANSFER]] TRANSFERS OF TANGIBLE PERSONAL PROPERTY TO A CORPORATION UPON ITS ORGANIZATION PRINCIPALLY IN CONSIDERATION FOR THE ISSUANCE OF ITS STOCK;

(2) [[THE TRANSFER]] TRANSFERS OF TANGIBLE PERSONAL PROPERTY MADE PURSUANT TO A REORGANIZATION WITHIN THE MEANING OF SECTION 368(A) OR IN ACCORDANCE WITH SECTIONS 371 OR 374 OF THE INTERNAL REVENUE CODE OF 1954;

(3) [[THE DISTRIBUTION]] DISTRIBUTIONS OF TANGIBLE PERSONAL PROPERTY BY A CORPORATION TO ITS STOCKHOLDERS AS A LIQUIDATING DISTRIBUTION;

(4) [[THE TRANSFER]] TRANSFERS OF TANGIBLE PERSONAL PROPERTY TO A PARTNERSHIP SOLELY AS A CONTRIBUTION TO THE CAPITAL OF A PARTNERSHIP OR IN CONSIDERATION FOR A PARTNERSHIP INTEREST THEREIN;

(5) [[THE DISTRIBUTION]] DISTRIBUTIONS OF TANGIBLE PERSONAL PROPERTY BY A PARTNERSHIP TO ITS