AN ACT concerning

        Admissions and Amusement Tax — Exempting
                Community Associations

FOR the purpose of [[exempting]] <u>authorizing exemptions</u>
    <u>for</u> nonprofit community associations from the
    admissions and amusement tax.

BY adding to

    Article 81 — Revenue and Taxes
    Section [[406(5)]] <u>406A</u>
    Annotated Code of Maryland
    (1975 Replacement Volume and 1975 Supplement)

    SECTION 1.   BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That new Section [[406(5)]] <u>406A</u> 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

[[406.

    No tax shall be levied or collected under the
provisions of §402 of this article:

    (5)   UPON THE GROSS RECEIPTS DERIVED FROM THE
AMOUNTS CHARGED FOR ADMISSIONS OR REFRESHMENTS, SERVICE
AND MERCHANDISE WHEN THE GROSS RECEIPTS INURE EXCLUSIVELY
TO THE BENEFIT OF A NONPROFIT COMMUNITY ASSOCIATION AND
PROVIDED NO PART OF THE NET EARNINGS THEREOF INURE TO THE
BENEFIT OF ANY STOCKHOLDER OR MEMBER OF THE COMMUNITY
ASSOCIATION CONDUCTING THE SAME AND PROVIDED THE PROCEEDS
THEREFROM ARE USED EXCLUSIVELY FOR COMMUNITY OR CIVIC
IMPROVEMENT PURPOSES. "COMMUNITY ASSOCIATION" AS USED IN
THIS SUBSECTION MEANS AN ORGANIZATION, WHETHER OR NOT
INCORPORATED, FORMED TO PROMOTE THE GENERAL WELFARE OF
THE COMMUNITY IT SERVES WHICH IS NOT OPERATED FOR PROFIT
AND WHOSE NET EARNINGS DO NOT INURE TO THE BENEFIT OF ANY
STOCKHOLDER OR MEMBER.]]

<u>406A.</u>

        <u>ANY COUNTY, BALTIMORE CITY, AND ANY INCORPORATED</u>
<u>CITY OR TOWN MAY EXEMPT FROM THE TAX LEVIED OR COLLECTED</u>
<u>UNDER THE PROVISIONS OF SECTION 402 OF THIS ARTICLE THE</u>
<u>GROSS RECEIPTS DERIVED FROM THE AMOUNTS CHARGED FOR</u>
<u>ADMISSIONS, REFRESHMENTS, SERVICE, OR MERCHANDISE WHEN</u>
<u>THE GROSS RECEIPTS INURE EXCLUSIVELY TO THE BENEFIT OF A</u>
<u>NONPROFIT COMMUNITY ASSOCIATION, IF NO PART OF THE NET</u>
<u>EARNINGS THEREOF INURE TO THE BENEFIT OF ANY STOCKHOLDER</u>
<u>OR MEMBER OF THE COMMUNITY ASSOCIATION AND IF THE</u>
<u>PROCEEDS ARE USED EXCLUSIVELY FOR COMMUNITY OR CIVIC</u>