

Retail Sales Tax - Computer Software - Exemption

FOR the purpose of providing an exemption from the State sales taxes for certain computer software if the computer software is custom computer software; defining a certain term; and generally relating to a sales and use tax exemption for certain computer software.

BY adding to

Article 81 - Revenue and Taxes
Section 326(yy)
Annotated Code of Maryland
(1980 Replacement Volume and 1983 Supplement)

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

Article 81 - Revenue and Taxes

326.

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

~~{YY} - {1} - AS USED IN THIS SUBSECTION.~~

~~{I} - "CUSTOM --- COMPUTER --- PROGRAM" --- MEANS --- THE COMPLETE COMPUTER PROGRAM FOR THE SOLUTION OF A PROBLEM --- THAT --- IS PREPARED PURSUANT TO A SPECIAL ORDER.~~

~~{II} - "CUSTOM --- COMPUTER --- PROGRAM" --- INCLUDES --- AN EXISTING PREWRITTEN --- PROGRAM --- THAT --- IS --- MODIFIED --- PURSUANT --- TO --- A SPECIAL ORDER.~~

~~{III} - "CUSTOM --- COMPUTER --- PROGRAM" --- DOES --- NOT INCLUDE --- A --- PREWRITTEN --- PROGRAM --- PROCEDURE --- OR --- ASSOCIATED DOCUMENTATION THAT IS HELD OR EXISTS FOR MASS PRODUCTION AND SALE TO THE PUBLIC.~~

~~{2} - THE --- SALE --- OF --- A --- CUSTOM --- COMPUTER --- PROGRAM, --- IN WHATEVER FORM, --- INCLUDING:~~

~~{I} - A WRITTEN PROCEDURE;~~

~~{II} - A REQUIRED --- DOCUMENT --- OR --- MANUAL --- THAT --- IS DESIGNED TO FACILITATE THE USE OF THE CUSTOM COMPUTER PROGRAM, --- OR~~

~~{III} - STORAGE --- MEDIA --- ON --- WHICH --- THE --- CUSTOM COMPUTER PROGRAM MAY BE STORED, --- INCLUDING PUNCHED --- CARDS, --- TAPES, DISKETTES, --- OR DRUMS.~~

{YY} (1) SALES OF CUSTOM COMPUTER SOFTWARE SERVICES.