

Article 81 - Revenue and Taxes
Section 326(i)
Annotated Code of Maryland
(1980 Replacement Volume and 1986 Supplement)

Preamble

WHEREAS, The Central Maryland Chapter of the American Red Cross provides vital services to the residents of Maryland, its vital role in the recent Amtrak tragedy being one among many examples of its unwaivering commitment and contribution to this State; and

WHEREAS, The American Red Cross, being somewhat unique, is both an instrumentality of the United States and a charitable nonprofit organization receiving no budgetary appropriation from the federal government, and charged in 1905 by the United States Congress to carry its humanitarian mission worldwide and to be the disaster relief agency for the entire nation; and

WHEREAS, The State of Maryland exempts from the State sales tax all nonprofit religious, charitable, and educational institutions and organizations when such tangible personal property is purchased for use in carrying on the work of such institutions and organizations, provided that the term "institution or organization" does not include the United States of America or any agency or instrumentality thereof; and

WHEREAS, The American Red Cross was exempt from the Maryland sales tax as recently as 1984, at which time departmental research into the organization's status suggested that its identity as a federal instrumentality took precedence over its nonprofit charitable status; and

WHEREAS, The American Red Cross, based on its unique characteristics, is more similar to nonprofit charitable organizations who qualify for the sales tax exemption and less similar to the United States government and its instrumentalities, and merits special consideration with regard to the State retail sales tax; now, therefore,

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:

(i) (1) Sales to a nonprofit religious, charitable, or educational institution or organization or a volunteer fire