

THE SALES AND USE TAX DOES NOT APPLY TO A SALE BY:

(1) A BONA FIDE CHURCH OR RELIGIOUS ORGANIZATION, IF THE SALE IS MADE FOR THE GENERAL PURPOSES OF THE CHURCH OR ORGANIZATION;

(2) A GIFT SHOP AT A MENTAL HOSPITAL THAT THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE OPERATES; OR

(3) A HOSPITAL THRIFT SHOP THAT:

(I) IS OPERATED BY ALL VOLUNTEER STAFF;

(II) SELLS ONLY DONATED ARTICLES;

(III) CONTRIBUTES THE PROFITS FROM SALES TO THE HOSPITAL WITH WHICH THE SHOP IS ASSOCIATED; AND

(IV) IS NOT OPERATED IN CONJUNCTION WITH A GIFT SHOP OR ANOTHER RETAIL ESTABLISHMENT.

(C) EXEMPTION CERTIFICATE REQUIRED.

TO QUALIFY AS AN ORGANIZATION TO WHICH A SALE IS EXEMPT UNDER SUBSECTION (A)(3) OR (5) OF THIS SECTION, THE ORGANIZATION SHALL FILE AN APPLICATION FOR AN EXEMPTION CERTIFICATE WITH THE COMPTROLLER.

(D) DETERMINATION LETTER.

THE COMPTROLLER MAY TREAT THE POSSESSION OF AN EFFECTIVE DETERMINATION LETTER OF STATUS UNDER § 501(C)(3) OR (13) OF THE INTERNAL REVENUE CODE FROM THE INTERNAL REVENUE SERVICE AS EVIDENCE THAT AN ORGANIZATION QUALIFIES UNDER SUBSECTION (A)(3) OR (5) OR (1) OF THIS SECTION, RESPECTIVELY.

REVISOR'S NOTE: Subsection (a)(1) of this section is new language substituted for former Art. 81, § 326(aaa)(1), which repeated the description of an exempt "cemetery" or "corporation chartered for the ... disposal of bodies" in the referenced § 501(c)(13), for clarity and brevity. The effective date is specified to ensure that the meaning of subsection (a)(1) of this section will not change inadvertently due to a federal amendment.

Subsections (a)(2) through (d) of this section are new language derived without substantive change from former Art. 81, § 326(u), (cc), (hh), (i)(1), (2), and (3)(i) and (iii), (kk), (xx), and (aaa)(2) and, as it extended exemptions under the former retail sales tax to the former use tax, § 375(b).