

Defined terms: "Sale" § 11-101
"Sales and use tax" § 1-101

11-218. SERVICES.

(A) PERSONAL, PROFESSIONAL, OR INSURANCE SERVICE.

THE SALES AND USE TAX DOES NOT APPLY TO A PERSONAL, PROFESSIONAL, OR INSURANCE SERVICE THAT INVOLVES A SALE AS AN INCONSEQUENTIAL ELEMENT FOR WHICH NO SEPARATE CHARGE IS MADE.

(B) CUSTOM COMPUTER SOFTWARE SERVICE.

THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CUSTOM COMPUTER SOFTWARE SERVICES RELATING TO PROCEDURES AND PROGRAMS THAT:

- (1) OTHERWISE ARE TAXABLE UNDER THIS TITLE;
- (2) ARE TO BE USED BY A SPECIFIC PERSON;
- (3) (I) ARE CREATED FOR THAT PERSON; OR

(II) CONTAIN STANDARD OR PROPRIETARY ROUTINES THAT INCORPORATE SIGNIFICANT CREATIVE INPUT TO CUSTOMIZE THE PROCEDURES AND PROGRAMS FOR THAT PERSON; AND

(4) DO NOT CONSTITUTE A PROGRAM, PROCEDURE, OR DOCUMENTATION THAT IS MASS PRODUCED AND SOLD TO:

- (I) THE GENERAL PUBLIC; OR
- (II) PERSONS ASSOCIATED IN A TRADE, PROFESSION, OR INDUSTRY.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 326(j) and (zz) and, as it extended exemptions under the former retail sales tax to the former use tax, § 375(b).

In item (2) of this section, the former word "exclusively" is deleted as unnecessary in light of item (4) of this section.

In item (3)(ii) of this section, the words "to customize the procedures and programs for that person" are substituted for the former words "in order to qualify for the exemption provided in this subsection", for clarity.

Defined terms: "Person" §§ 1-101 and 11-101
"Sale" § 11-101 "Sales and use tax" § 1-101
"Use" § 11-101