

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 11-408(b) and (c)

Annotated Code of Maryland

(1988 Volume and 1992 Supplement)

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

Article - Tax - General

11-408.

(b) (1) Except as provided in paragraph (2) of this subsection, the duty of a vendor to collect the sales and use tax from a buyer is waived if the buyer provides the vendor with a signed resale certificate that:

(i) is in the form that the Comptroller requires by regulation;

(ii) states the name, address, and registration certificate number of the buyer; and

(iii) contains a statement to the effect that the tangible personal property or taxable service is bought for the purpose of resale.

(2) (I) A vendor may not accept a resale certificate [:

(i) for a cash, check, or credit card sale if the taxable price is less than \$500; or

(ii)] if the vendor knows or should know that the sale is not for the purpose of resale.

(II) A VENDOR MAY NOT ACCEPT A RESALE CERTIFICATE FOR A CASH, CHECK, OR CREDIT CARD SALE IF:

1. THE TAXABLE PRICE IS LESS THAN ~~\$500~~ \$200; AND

2. THE TANGIBLE PERSONAL PROPERTY OR TAXABLE SERVICE IS NOT DELIVERED BY THE VENDOR DIRECTLY TO THE BUYER'S RETAIL PLACE OF BUSINESS.

(3) A vendor shall obtain a resale certificate from a buyer:

(i) before the sale is consummated; or

(ii) if the vendor receives a notice of the Comptroller's intent to assess sales and use tax for failure to obtain a proper resale certificate, within 60 days after the date on which the notice is mailed.

(4) If the vendor fails to obtain the resale certificate as required, the Comptroller's assessment under paragraph (3)(ii) of this subsection is final.