

CHAPTER 748

(House Bill 242)

AN ACT concerning

Sales and Use Tax – Credit for Collection Expense

FOR the purpose of altering the calculation of a certain credit allowed to a person who timely files a sales and use tax return; ~~requiring the Comptroller to make a certain annual adjustment in the calculation of the credit based on the Consumer Price Index~~ providing for the effective date of this Act; and generally relating to a certain credit allowed to a person who timely files a sales and use tax return.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11-105

Annotated Code of Maryland

(1988 Volume and 1993 Supplement)

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

Article – Tax – General

11-105.

(a) Except as provided in subsection (b) of this section, a person who timely files a sales and use tax return is allowed, for the expense of collecting and paying the tax, a credit equal to ~~0.6%~~ 0.9% of the gross amount of sales and use tax that the person is to pay to the Comptroller.

(b) (1) Subject to paragraph (2) of this subsection ~~AND SUBSECTION (C) OF THIS SECTION~~, the credit allowed under this section is 1.2% of the first ~~[\$4,200]~~ \$6,000 of the gross amount of sales and use tax that the person is to pay with each return.

(2) For a vendor who files or is eligible to file a consolidated return under § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2% of the first ~~[\$4,200]~~ \$6,000 of the gross amount of sales and use tax that the person is or would be required to pay with the consolidated return.

~~(C) (1) IN THIS SUBSECTION, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX (ALL ITEMS UNITED STATES CITY AVERAGE), AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF STATISTICS.~~

~~(2) FOR THE FISCAL YEAR BEGINNING JULY 1, 1995 AND EACH SUBSEQUENT FISCAL YEAR, ON OR BEFORE JUNE 15 IMMEDIATELY PRECEDING THE FISCAL YEAR, THE COMPTROLLER SHALL INCREASE THE MAXIMUM DOLLAR~~