

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 601.

This bill exempts from the sales and use tax optional computer software maintenance contracts if the buyer does not have the right under the contract to receive at no additional cost software products that are separately priced and marketed by the vendor.

House Bill 622, which was passed by the General Assembly and signed by me on May 9, 1995, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 601.

Sincerely,
Parris N. Glendening
Governor

Senate Bill No. 601

AN ACT concerning

Sales and Use Tax – Computer Software Maintenance Contracts

FOR the purpose of exempting from the sales and use tax the sale of optional computer software maintenance contracts under certain circumstances.

BY adding to

Article – Tax – General
Section 11-219(c)
Annotated Code of Maryland
(1988 Volume and 1994 Supplement)

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

Article – Tax – General

11-219.

(C) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF AN OPTIONAL COMPUTER SOFTWARE MAINTENANCE CONTRACT IF THE BUYER DOES NOT HAVE A RIGHT, AS PART OF THE CONTRACT, TO RECEIVE AT NO ADDITIONAL COST SOFTWARE PRODUCTS THAT ARE SEPARATELY PRICED AND MARKETED BY THE VENDOR.