

This bill alters the computation of the sales and use tax on sales made through a vending machine or other self-service machines.

Senate Bill 46, which was passed by the General Assembly and signed by me on May 14, 1996, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 56.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 56

AN ACT concerning

Sales and Use Tax – Gross Receipts from Vending Machine Sales

FOR the purpose of altering the computation of the sales and use tax for sales made through vending or other self-service machines; and generally relating to the sales and use tax on sales made through vending machines.

BY repealing and reenacting, with amendments,

Article – Tax – General
Section 11-104(b) and 11-301
Annotated Code of Maryland
(1988 Volume and 1995 Supplement)

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

Article – Tax – General

11-104.

(b) If a retail sale of tangible personal property OR A TAXABLE SERVICE is made through a vending OR OTHER SELF-SERVICE machine, the sales and use tax rate is 5%, APPLIED TO 95.25% of the gross receipts from the vending machine sales.

11-301.

The sales and use tax is computed on:

- (1) the taxable price of each separate sale;
- (2) if a combined sale is made, the combined taxable price of all retail sales on the same occasion by the same vendor to the same buyer; or
- (3) if retail sales of tangible personal property or a taxable service are made through vending or other self-service machines, 95.25% OF the gross receipts from the retail sales.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1996.