

**Sales and Use Tax – Detective Services – Taxable Price**

FOR the purpose of altering the definition of taxable price under the sales and use tax to exclude certain charges for reimbursement of certain expenses incurred in connection with providing certain taxable services.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11-101(j)(3)(i)

Annotated Code of Maryland

(1988 Volume and 1996 Supplement)

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

**Article – Tax – General**

11-101.

(j) (3) “Taxable price” does not include:

(i) a charge that is made in connection with a sale and is stated as a separate item of the consideration for:

1. a delivery, freight, or other transportation service for delivery directly to the buyer by the vendor or by another person acting for the vendor;

2. a finance charge, interest, or similar charge for credit extended to the buyer;

3. a labor or service for application or installation;

4. a mandatory gratuity or service charge in the nature of a tip for serving food or beverage to a group of 10 or fewer individuals for consumption on the premises of the vendor;

5. a professional service;

6. a tax:

A. imposed by a county on the sale of coal, electricity, oil, nuclear fuel assemblies, steam, or artificial or natural gas;

B. imposed under § 3-302(a) of the Natural Resources Article, as a surcharge on the generation of electricity, and added to an electric bill; or

C. imposed under §§ 6-201 through 6-203 of the Tax – Property Article, on tangible personal property subject to a lease that is for an initial period that exceeds 1 year and is noncancellable except for cause; [or]

7. any service for the operation of equipment used for the production of audio, video, or film recordings; or