

May 17, 2000

The Honorable Casper R. Taylor, Jr.  
Speaker of the House  
State House  
Annapolis MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 260 – Sales and Use Tax – Resale Certificates – Out-of-State Vendors.

House Bill 260 waives a seller's obligation to collect the sales and use tax on the sale of an antique or used collectible if the seller receives a resale certificate from a purchaser with an *out-of-state* sales and use tax registration number. The legislation would eliminate the need for an out-of-state antique dealer to obtain a Maryland sales and use tax registration number for the same purpose.

Under current tax law, sellers must generally collect the State sales and use tax at the point of sale unless the transaction is for \$200 or more and the buyer presents a resale certificate and Maryland sales and use tax registration number. If an out-of-state vendor does not have a Maryland tax registration number, the tax must be paid at the point of sale and a refund can be claimed by the purchaser. House Bill 260 is intended to address complaints by out-of-state antique vendors that the existing requirements are burdensome and discourage them from purchasing items in Maryland for resale in their home states.

House Bill 260 would establish a special tax exception for antique dealers that is afforded to no other out-of-state merchants. After reviewing the existing registration requirements, I find the antique dealers' argument for a special exemption from these requirements unpersuasive. The Maryland Comptroller's Office has led the nation in using technology to assist taxpayers in complying with our tax laws. Out-of-State vendors can now apply for and receive a Maryland sales and use tax registration number over the Internet in a matter of minutes. Obtaining a Maryland tax registration number and resale certificate, therefore, is not a burdensome requirement for merchants who transact business in Maryland. If an out-of-state dealer chooses not to register in Maryland, the dealer is free to apply for a sales tax refund by mail or fax.

Some states do recognize out-of-state resale certificates when merchants purchase goods for resale outside their states. Whether Maryland should join this growing trend is a tax policy question for the General Assembly to decide. I believe it would be a bad precedent, however, to carve out a special exception to this policy for a single industry.

For the above reasons, I have vetoed House Bill 260.

Sincerely,  
Parris N. Glendening  
Governor