

CHAPTER 612

(Senate Bill 478)

AN ACT concerning

Sales and Use Tax - Nonprofit Organizations Located in Adjacent States

FOR the purpose of ~~eliminating~~ altering a certain requirement for an organization located in an adjacent state to be eligible for a certain exemption under the sales and use tax for certain sales to certain nonprofit organizations.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 11-204(a)(3)

Annotated Code of Maryland

(1997 Replacement Volume)

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

Article - Tax - General

11-204.

(a) The sales and use tax does not apply to:

(3) a sale to a nonprofit organization made to carry on its work, if the organization:

(i) 1. is located in the State; ~~or~~

2. is located in an adjacent jurisdiction ~~and provides its services within the State on a routine and regular basis~~; OR

3. IS LOCATED IN AN ADJACENT JURISDICTION WHOSE LAW:

A. DOES NOT IMPOSE A SALES OR USE TAX ON A SALE TO A NONPROFIT ORGANIZATION MADE TO CARRY ON ITS WORK; OR

B. CONTAINS A RECIPROCAL EXEMPTION FROM SALES AND USE TAX FOR SALES TO NONPROFIT ORGANIZATIONS LOCATED IN ADJACENT JURISDICTIONS SIMILAR TO THE EXEMPTION ALLOWED UNDER THIS SUBSECTION;

(ii) is a charitable, educational, or religious organization;

(iii) is not the United States; and

(iv) except for the American National Red Cross, is not a unit or instrumentality of the United States;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1998.