

# SENATE BILL 185

Q4

0lr1353  
CF HB 27

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By: **Senator Jennings**

Introduced and read first time: January 15, 2020

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Baltimore County~~ **Sales and Use Tax Exemption – Qualified Opportunity**  
3 **Zones in Baltimore County and Target Redevelopment Areas in Washington**  
4 **County**

5 FOR the purpose of providing an exemption from the sales and use tax for certain  
6 construction material or warehousing equipment used on certain property in certain  
7 areas in Baltimore County or Washington County under certain circumstances;  
8 requiring a buyer claiming the exemption to provide certain evidence to a vendor;  
9 defining certain terms; providing for the termination of this Act; and generally  
10 relating to the sales and use tax.

11 BY adding to  
12 Article – Tax – General  
13 Section 11–236  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume and 2019 Supplement)

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

18 **Article – Tax – General**

19 **11–236.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3           (2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE  
4 PERSONAL PROPERTY THAT IS USED TO CONSTRUCT OR RENOVATE A BUILDING, A  
5 STRUCTURE, OR AN IMPROVEMENT ON LAND AND THAT TYPICALLY LOSES ITS  
6 SEPARATE IDENTITY AS PERSONAL PROPERTY ONCE INCORPORATED INTO THE  
7 REAL PROPERTY.

8           (II) “CONSTRUCTION MATERIAL” INCLUDES BUILDING  
9 MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND  
10 SUPPLIES.

11           (3) “QUALIFIED OPPORTUNITY ZONE” MEANS ANY REAL PROPERTY  
12 OWNED OR LEASED BY A PERSON IN BALTIMORE COUNTY THAT:

13           (I) AS OF JANUARY 1, 2020, WAS DESIGNATED AS:

14           1. AN ENTERPRISE ZONE UNDER TITLE 5, SUBTITLE 7 OF  
15 THE ECONOMIC DEVELOPMENT ARTICLE; AND

16           2. AN OPPORTUNITY ZONE UNDER § 1400Z-1 OF THE  
17 INTERNAL REVENUE CODE; AND

18           (II) WAS PREVIOUSLY OWNED AT ANY TIME BY THE UNITED  
19 STATES OR ITS SUBSIDIARIES, SUCCESSORS, OR ASSIGNS.

20           (4) “TARGET REDEVELOPMENT AREA” MEANS ANY REAL PROPERTY  
21 OWNED OR LEASED BY A PERSON IN WASHINGTON COUNTY THAT:

22           (I) AS OF JANUARY 1, 2020, WAS DESIGNATED AS:

23           1. AN ENTERPRISE ZONE UNDER TITLE 5, SUBTITLE 7 OF  
24 THE ECONOMIC DEVELOPMENT ARTICLE; AND

25           2. WAS PREVIOUSLY OWNED AT ANY TIME BY CSX  
26 RAILROAD OR ITS SUBSIDIARIES, SUCCESSORS, OR ASSIGNS; OR

27           (II) WAS PREVIOUSLY OWNED AT ANY TIME BY THE UNITED  
28 STATES OR ITS SUBSIDIARIES, SUCCESSORS, OR ASSIGNS.

29           (5) “WAREHOUSING EQUIPMENT” MEANS EQUIPMENT USED FOR  
30 MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING  
31 SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.

1           **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION**  
2 **MATERIAL OR WAREHOUSING EQUIPMENT IF:**

3                   **(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON**  
4 **SOLELY FOR USE IN A QUALIFIED OPPORTUNITY ZONE OR TARGET REDEVELOPMENT**  
5 **AREA; AND**

6                   **(2) THE BUYER PROVIDES THE VENDOR WITH EVIDENCE OF**  
7 **ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2020. It shall remain effective for a period of 10 years and, at the end of June 30, 2030,  
10 this Act, with no further action required by the General Assembly, shall be abrogated and  
11 of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.