

# HOUSE BILL 27

Q4

(PRE-FILED)

0lr0303  
CF 0lr1353

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By: **Delegates Szeliga and Arian**

Requested: July 29, 2019

Introduced and read first time: January 8, 2020

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore County – Sales and Use Tax Exemption – Qualified Opportunity**  
3 **Zones**

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

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

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

17 **Article – Tax – General**

18 **11–236.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
20 **INDICATED.**

21 **(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE**  
22 **PERSONAL PROPERTY THAT IS USED TO CONSTRUCT OR RENOVATE A BUILDING, A**  
23 **STRUCTURE, OR AN IMPROVEMENT ON LAND AND THAT TYPICALLY LOSES ITS**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SEPARATE IDENTITY AS PERSONAL PROPERTY ONCE INCORPORATED INTO THE  
REAL PROPERTY.

(II) "CONSTRUCTION MATERIAL" INCLUDES BUILDING  
MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND  
SUPPLIES.

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

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

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

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

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

(4) "WAREHOUSING EQUIPMENT" MEANS EQUIPMENT USED FOR  
MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING  
SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.

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

(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON  
SOLELY FOR USE IN A QUALIFIED OPPORTUNITY ZONE; AND

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

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