

Sales and use tax bulletin 98-1

1998 Changes in the Sales & Use Tax Law

The Maryland General Assembly enacted the following changes in the sales and use tax law which are effective July 1, 1998, unless otherwise stated below.

Nonprofit Organizations: The General Assembly expanded the exemption for sales made to a nonprofit charitable, educational or religious organization to help carry on its work. Current law exempts sales to these nonprofits located in Maryland or in adjacent jurisdictions if they provide their services in Maryland on a routine and regular basis. The legislation enacted this year extends the exemption to all otherwise qualifying nonprofits located in an adjacent jurisdiction if

1. that jurisdiction does not impose a sales or use tax on a sale to a nonprofit made to carry on its work, or
2. if the adjacent jurisdiction has a reciprocal exemption from the sales tax for sales to nonprofits located in adjacent jurisdictions similar to the Maryland exemption.

Qualifying nonprofits located in adjacent jurisdictions may apply for an exemption certificate, if they have not already done so, by completing the Combined Registration Application. The application is available through the Forms-by-Fax system at 410-974-3299, or from the Taxpayer Service Section at 410-767-1300 from the Baltimore metropolitan Area, or toll-free from within Maryland at 1-800-492-1751.

Taxable Price: Separately stated charges for admissions and amusement tax have been excluded from the taxable price for the purposes of computing the sales and use tax. The admissions and amusement tax is imposed on gross receipts derived from admissions and amusement charges, and when that tax is not separately stated, it remains part of the taxable price for sales tax purposes. The sales and use tax and the admissions and amusement tax might both apply to rental of athletic equipment and to sales of refreshments and merchandise in places to which an admission is charged.

Short Term Vehicle Rentals: Effective July 1, 1999, the purchase of a rental vehicle (as defined in Section 11-718 of the Transportation Article) is exempt from the titling tax, and the credit against sales and use tax liability for titling tax paid is also eliminated. Short term vehicle rental businesses may continue to claim credits on sales and use tax reports for the titling tax paid on qualifying vehicles purchased before July 1, 1999. Vendors may claim these credits by filing Form COT/ST 106 within three years of the date the titling tax was paid.

For the deaf and hard of hearing: TTY users call via Maryland Relay at 711 in Maryland or 1-800-735-2258 from elsewhere. TTY: 410-767-1967 (Baltimore metro area). If you need a reasonable accommodation for a disability, please contact us before you visit. If you need the information in this publication in an alternate format, contact: Office of Communications 410-260-7995 (voice), 410-260-7157 (TTY).